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THE GENERAL STATUTES OF NORTH CAROLINA

Containing General Laws of North Carolina through the Session Laws of 1975, Second Session

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PREPARED UNDER THE SUPERVISION OF THE DEPARTMENT OF JUSTICE OF THE STATE OF NORTH CAROLINA

Annotated, under the Supervision of the Department of Justice, by the Editorial Staff of the Publishers

Under the Direction of

W. M. WILLSON, J. H. VAUGHAN, SYLVIA FAULKNER AND J. K. HALEY

Volume 3D

1976 Replacement Volume

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Scope of Volume

Statutes:

Full text of Chapters 157 through 168 of the General Statutes of North Carolina, including all enactments through the Session Laws of 1975, Second Session, heretofore contained in 1972 Replacement Volume 3D of the General Statutes of North Carolina and the 1975 Cumulative Supplement and 1976 Interim Supplement thereto.

Annotations:

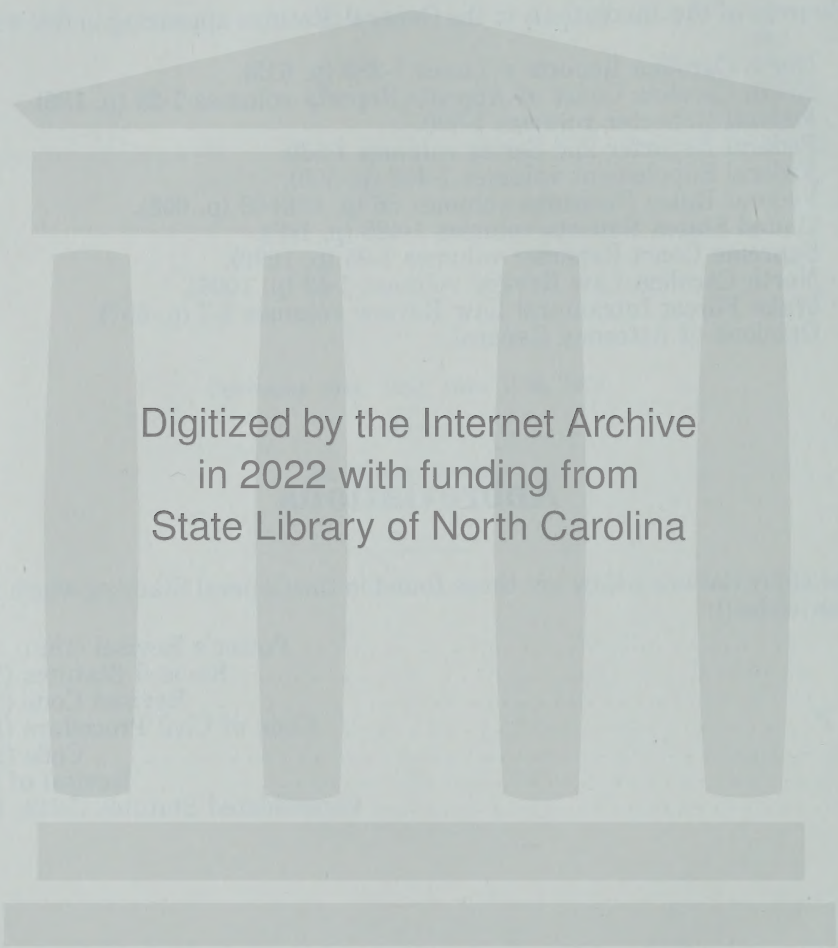
Sources of the annotations to the General Statutes appearing in this volume are:

North Carolina Reports volumes 1-289 (p. 619).
North Carolina Court of Appeals Reports volumes 1-29 (p. 186).
Federal Reporter volumes 1-300.
Federal Reporter 2nd Series volumes 1-530.
Federal Supplement volumes 1-408 (p. 968).
Federal Rules Decisions volumes 56 (p. 663)-69 (p. 608).
United States Reports volumes 1-423 (p. 160).
Supreme Court Reporter volumes 1-96 (p. 1690).
North Carolina Law Review volumes 1-49 (p. 1006).
Wake Forest Intramural Law Review volumes 2-7 (p. 697).
Opinions of Attorney General.

Abbreviations

(The abbreviations below are those found in the General Statutes which refer to prior codes.)

P. R. . . . . Potter's Revisal (1821, 1827)
R. S. . . . . Revised Statutes (1837)
R. C. . . . . Revised Code (1854)
C. C. P. . . . . Code of Civil Procedure (1868)
Code . . . . . Code (1883)
Rev. . . . . Revisal of 1905
C. S. . . . . Consolidated Statutes (1919, 1924)



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Preface

Volume 3D, originally published in 1964, with a replacement volume published in 1972, accumulated a supplement approaching the bound volume in size and including revisions of the laws relating to elections and local government finance and of the portion of the law relating to municipal corporations. This 1976 replacement volume is issued to incorporate the new material in the bound volume and to eliminate what is obsolete.

Beginning with formal opinions issued by the North Carolina Attorney General on July 1, 1969, such opinions which construe a specific statute will be cited as an annotation to that statute. For a copy of an opinion or of its headnotes write the Attorney General, P.O. Box 629, Raleigh, N.C. 27602.

The recompiled volume has been prepared and published under the supervision of the Department of Justice of the State of North Carolina. The members of the North Carolina Bar are requested to communicate any defects they may find in the General Statutes, and any suggestions they may have for improving them, to the Department.

October 1, 1976

RUFUS L. EDMISTEN,
Attorney General

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ARTICLE 1.

Housing Authorities Law.

§ 157-1. Title of Article. — This Article may be referred to as the Housing Authorities Law. (1935, c. 456, s. 1.)

Editor's Note. — For comment on this Article, see 19 N.C.L. Rev. 484.

For comment on the public purpose doctrine, see 3 Wake Forest Intra. L. Rev. 37 (1967).

For comment on eviction in public housing, see 4 Wake Forest Intra. L. Rev. 112 (1968).

Constitutionality. — This Article is a constitutional exercise of a legislative power. Wells v. Housing Auth., 213 N.C. 744, 197 S.E. 693 (1938).

A housing authority created under this Article is not invested with legislative and supreme judicial powers, and therefore its creation does not violate the constitutional provision that these powers be and remain separate and distinct. Cox v. Kinston, 217 N.C. 391, 8 S.E.2d 252 (1940).

Object of Article. — The State cannot enact laws, and cities and towns cannot pass effective ordinances, forbidding disease, vice and crime to enter into the slums of overcrowded areas, there defeating every purpose for which civilized government exists, and spreading influences detrimental to law and order; but experience has shown that this result can be more effectively brought about by the removal of physical surroundings conducive to these conditions. This is the objective of this Article, and these are the means by which it is intended to accomplish it. Martin v. North Carolina Housing Corp., 277 N.C. 29, 175 S.E.2d 665 (1970).

Slum Clearance Held Public Purpose. — "Slum clearance" to rehabilitate crowded and congested areas in cities and towns where conditions conducive to disease and public disorder exist, is a public purpose, for which the legislature may create municipal corporations, and housing authorities established under this and the following sections, are for such governmental purpose. Wells v. Housing Auth., 213 N.C. 744, 197 S.E. 693 (1938); In re Housing Auth., 233 N.C. 649, 65 S.E.2d 761 (1951).

A housing authority organized pursuant to the provisions of this Article is created for a public purpose and exercises an essential governmental function. Briefly stated, its public purpose is the elimination or rehabilitation of unsafe and unsanitary dwelling units in crowded and congested areas and the construction of housing projects to provide safe and sanitary dwelling units for rental to persons of low income. Martin v. North Carolina Housing Corp., 277 N.C. 29, 175 S.E.2d 665 (1970).

The State does not engage in a private enterprise when it undertakes a project of slum clearance. Martin v. North Carolina Housing Corp., 277 N.C. 29, 175 S.E.2d 665 (1970).

Article Relates to Health and Sanitation. — This Article, authorizing the creation of municipal housing authorities, is a statute relating to health and sanitation. State v. Alverson, 254 N.C. 204, 118 S.E.2d 408 (1961).

Hearing Requirements before Eviction. — The hearing to be afforded tenants of public housing before the determination to evict them requires (1) timely and adequate notice detailing the reasons for a proposed termination, (2) an opportunity on the part of the tenant to confront and cross-examine adverse witnesses, (3) the right of a tenant to be represented by counsel, provided by him to delineate the issues, present the factual contentions in an orderly manner, conduct cross-examination and generally to safeguard his interests, (4) a decision, based on evidence adduced at the hearing, in which the reasons for decision and the evidence relied on are set forth, and (5) an impartial decision maker. Caulder v. Durham Housing Auth., 433 F.2d 998 (4th Cir. 1970), cert. denied, 401 U.S. 1003, 91 S. Ct. 1228, 28 L. Ed. 2d 539 (1971).

Applied in Housing Auth. v. Wooten, 257 N.C. 358, 126 S.E.2d 101 (1962); Housing Auth. v. Farabee, 17 N.C. App. 431, 194 S.E.2d 553, aff'd, 284 N.C. 242, 200 S.E.2d 12 (1973).

Cited in In re Housing Auth., 235 N.C. 463, 70 S.E.2d 500 (1952); State ex rel. East Lenoir San. Dist. v. City of Lenoir, 249 N.C. 96, 105 S.E.2d 411 (1958); Redevelopment Comm'n v. Guilford County, 1 N.C. App. 512, 162 S.E.2d 108 (1968).

§ 157-2. Finding and declaration of necessity. — It is hereby declared that unsanitary or unsafe dwelling accommodations exist in urban and rural areas throughout the State and that such unsafe or unsanitary conditions arise from overcrowding and concentration of population, the obsolete and poor condition of the buildings, improper planning, excessive land coverage, lack of proper light, air and space, unsanitary design and arrangement, lack of proper sanitary facilities, and the existence of conditions which endanger life or property by fire and other causes; that in such urban and rural areas many persons of low income are forced to reside in unsanitary or unsafe dwelling accommodations; that in such urban and rural areas there is a lack of safe or sanitary dwelling accommodations available to all the inhabitants thereof and that consequently many persons of low income are forced to occupy overcrowded and congested dwelling accommodations; that these conditions cause an increase in and spread of disease and crime and constitute a menace to the health, safety, morals and welfare of the citizens of the State and impair economic values; that these conditions cannot be remedied by the ordinary operation of private enterprise; that the clearance, replanning and reconstruction of such areas and the providing of safe and sanitary dwelling accommodations for persons of low income are public uses and purposes for which public money may be spent and private property acquired; that it is in the public interest that work on such projects be instituted as soon as possible; and that the necessity for the provisions hereinafter enacted is hereby declared as a matter of legislative determination to be in the public interest. (1935, c. 456, s. 2; 1938, Ex. Sess., c. 2, s. 14; 1941, c. 78, s. 2.)

Editor's Note. — For comment on the 1941 amendment to this section, see 19 N.C.L. Rev. 481.

For note on retaliatory evictions and housing code enforcement, see 49 N.C.L. Rev. 569 (1971).

Legislative Purpose. — The legislature authorized the creation of housing authorities as a means of protecting low-income citizens from unsafe or unsanitary conditions in urban or rural areas. Powell v. Eastern Carolina Regional Housing Auth., 251 N.C. 812, 112 S.E.2d 386 (1960).

Due Process Must Be Afforded in Eviction. — Should an eligible tenant be wrongfully evicted, some frustration of these interests will result. Both governmental and individual interests are furthered by affording due process in the eviction procedure. Caulder v. Durham Housing Auth., 433 F.2d 998 (4th Cir. 1970), cert. denied, 401 U.S. 1003, 91 S. Ct. 1228, 28 L. Ed. 2d 539 (1971).

Stated in State v. Alverson, 254 N.C. 204, 118 S.E.2d 408 (1961).

Cited in Mallard v. Eastern Carolina Regional Housing Auth., 221 N.C. 334, 20 S.E.2d 281 (1942).

§ 157-3. Definitions. — The following terms, wherever used or referred to in this Article shall have the following respective meanings, unless a different meaning clearly appears from the context:

(1) "Authority" or "housing authority" shall mean a public body and a body corporate and politic organized in accordance with the provisions of this Article for the purposes, with the powers and subject to the restrictions hereinafter set forth.

(2) "Bonds" shall mean any bonds, interim certificates, notes, debentures, obligations, or other evidences of indebtedness issued pursuant to this Article.

(3) "City" shall mean any city or town having a population of more than 500 inhabitants according to the last federal census or any revision or amendment thereto.

(4) "City clerk" and "mayor" shall mean the clerk and mayor, respectively, of the city or the officers thereof charged with the duties customarily imposed on the clerk and mayor respectively.

(5) "Commissioner" shall mean one of the members of an authority appointed in accordance with the provisions of this Article.

(6) "Community facilities" shall include real and personal property, and buildings and equipment for recreational or social assemblies, for educational, health or welfare purposes and necessary utilities, when designed primarily for the benefit and use of the housing authority and/or the occupants of the dwelling accommodation.

(7) "Contract" shall mean any agreement of an authority with or for the benefit of an obligee whether contained in a resolution, trust indenture, mortgage, lease, bond or other instrument.

(8) "Council" shall mean the legislative body, council, board of commissioners, board of trustees, or other body charged with governing the city.

(9) "Farmers of low income" shall mean persons or families who at the time of their admission to occupancy in a dwelling of the authority:

a. Live under unsafe or unsanitary housing conditions;

b. Derive their principal income from operating or working upon a farm; and

c. Had an aggregate average annual net income for the three years preceding their admission that was less than the amount that shall be determined by the authority to be necessary, within its area of operation, to enable them, without financial assistance, to obtain decent, safe and sanitary housing, without overcrowding.

(10) "Federal government" shall include the United States of America, the Federal Emergency Administration of Public Works or any agency, instrumentality, corporate or otherwise, of the United States of America.

(11) "Government" shall include the State and federal governments and any subdivision, agency or instrumentality, corporate or otherwise, of either of them.

(12) "Housing project" shall include all real and personal property, buildings and improvements, stores, offices, lands for farming and gardening, and community facilities acquired or constructed or to be acquired or constructed pursuant to a single plan or undertaking

a. To demolish, clear, remove, alter or repair unsanitary or unsafe housing, and/or

b. To provide safe and sanitary dwelling accommodations for persons of low income.

The term "housing project" may also be applied to the planning of the buildings and improvements, the acquisition of property, the demolition of existing structures, the construction, reconstruction, alteration and repair of the improvements and all other work in connection therewith.

(13) "Mortgage" shall include deeds of trust, mortgages, building and loan contracts or other instruments conveying real or personal property as security for bonds and conferring a right to foreclose and cause a sale thereof.

(14) "Municipality" shall mean any city, town, incorporated village or other municipality in the State.

(15) "Obligee of the authority" or "obligee" shall include any bondholder, trustee or trustees for any bondholders, any lessor demising property to the authority used in connection with a housing project or any assignee or assignees of such lessor's interest or any part thereof, and the United States of America, when it is a party to any contract with the authority.

(16) "Real property" shall include lands, lands under water, structures, and any and all easements, franchises and incorporeal hereditaments and every estate and right therein, legal and equitable, including terms for years and liens by way of judgment, mortgage or otherwise.

(17) "State" shall mean the State of North Carolina.
(18) "Trust indenture" shall include instruments pledging the revenues of real or personal properties but not conveying such properties or conferring a right to foreclose and cause a sale thereof. (1935, c. 456, s. 3; 1938, Ex. Sess., c. 2, s. 14; 1941, c. 78, s. 2; 1943, c. 636, s. 1; 1959, cc. 321, 641, 1281; 1961, c. 200, s. 1.)

A housing authority created hereunder is a municipal corporation created for a public governmental purpose, and such authority is invested with a governmental function. Cox v. Kinston, 217 N.C. 391, 8 S.E.2d 252 (1940).

Quoted in In re Housing Auth., 233 N.C. 649, 65 S.E.2d 761 (1951).

§ 157-4. Notice, hearing and creation of authority; cancellation of certificate of incorporation. — Any 25 residents of a city and of the area within 10 miles from the territorial boundaries thereof may file a petition with the city clerk setting forth that there is a need for an authority to function in the city and said surrounding area. Upon the filing of such a petition the city clerk shall give notice of the time, place and purposes of a public hearing at which the council will determine the need for an authority in the city and said surrounding area. Such notice shall be given at the city's expense by publishing a notice, at least 10 days preceding the day on which the hearing is to be held, in a newspaper having a general circulation in the city and said surrounding area, or, if there be no such newspaper, by posting such notice in at least three public places within the city, at least 10 days preceding the day on which the hearing is to be held.

Upon the date fixed for said hearing held upon notice as provided herein, an opportunity to be heard shall be granted to all residents and taxpayers of the city and said surrounding area and to all other interested persons. After such a hearing, the council shall determine:

(1) Whether insanitary or unsafe inhabited dwelling accommodations exist in the city and said surrounding area, and/or
(2) Whether there is a lack of safe or sanitary dwelling accommodations in the city and said surrounding area available for all the inhabitants thereof.

In determining whether dwelling accommodations are unsafe or insanitary, the council shall take into consideration the following: the physical condition and age of the buildings; the degree of overcrowding; the percentage of land coverage; the light and air available to the inhabitants of such dwelling accommodations; the size and arrangement of the rooms; the sanitary facilities; and the extent to which conditions exist in such buildings which endanger life or property by fire or other causes.

If it shall determine that either or both of the above enumerated conditions exist, the council shall adopt a resolution so finding (which need not go into any detail other than the mere finding) and shall cause notice of such determination to be given to the mayor who shall thereupon appoint, as hereinafter provided, not less than five nor more than nine commissioners to act as an authority. Said commission shall be a public body and a body corporate and politic upon the completion of the taking of the following proceedings:

The commissioners shall present to the Secretary of State an application signed by them, which shall set forth (without any detail other than the mere recital):

(1) That a notice has been given and public hearing has been held as aforesaid, that the council made the aforesaid determination after such hearing, and that the mayor has appointed them as commissioners;
(2) The name and official residence of each of the commissioners, together

with a certified copy of the appointment evidencing their right to office, the date and place of induction into and taking oath of office, and that they desire the housing authority to become a public body and a body corporate and politic under this Article;

(3) The term of office of each of the commissioners;

(4) The name which is proposed for the corporation; and

(5) The location of the principal office of the proposed corporation.

The application shall be subscribed and sworn to by each of said commissioners before an officer authorized by the laws of the State to take and certify oaths, who shall certify upon the application that he personally knows the commissioners and knows them to be the officers as asserted in the application, and that each subscribed and swore thereto in the officer's presence. The Secretary of State shall examine the application and if he finds that the name proposed for the corporation is not identical with that of a person or of any other corporation of this State or so nearly similar as to lead to confusion and uncertainty he shall receive and file it and shall record it in an appropriate book of record in his office.

When the application has been made, filed and recorded, as herein provided, the authority shall constitute a public body and a body corporate and politic under the name proposed in the application; the Secretary of State shall make and issue to the said commissioners a certificate of incorporation pursuant to this Article, under the seal of the State, and shall record the same with the application.

If the council, after a hearing as aforesaid, shall determine that neither of the above enumerated conditions exist, it shall adopt a resolution denying the petition. After three months shall have expired from the date of the denial of any such petitions, subsequent petitions may be filed as aforesaid and new hearings and determinations made thereon.

In any suit, action or proceeding involving the validity or enforcement of or relating to any contract of the authority, the authority shall be conclusively deemed to have been established in accordance with the provisions of this Article upon proof of the issuance of the aforesaid certificate by the Secretary of State. A copy of such certificate, duly certified by the Secretary of State, shall be admissible in evidence in any such suit, action or proceeding, and shall be conclusive proof of the filing and contents thereof.

The Secretary of State is authorized and empowered to revoke or to cancel a certificate of incorporation previously issued to an authority or housing authority upon filing in his office a petition and resolution of the council and a petition and resolution of the authority and its members requesting such revocation or cancellation and when the Secretary of State is satisfied that no indebtedness has been incurred or property acquired by said housing authority. (1935, c. 456, s. 4; 1943, c. 636, s. 7; 1961, c. 987; 1971, c. 362, s. 1; c. 599.)

Local Modification. — City of Durham: 1971, c. 575.

Determination of Existence of Facts Justifying Creation of Authority. — The provision of this section investing municipal corporations with the power to determine each for itself the existence or nonexistence of facts necessary for the creation of a housing authority to perform a proper municipal governmental function within its limits is not an unconstitutional delegation of legislative authority. Cox v. Kinston, 217 N.C. 391, 8 S.E.2d 252 (1940).

The existence or nonexistence of facts within its corporate limits justifying the creation of a housing authority for the determination of the municipal corporation, which duty is political and not judicial, and in proceedings to enjoin the activities of a housing authority created under the statute the court does not have authority to hear evidence in regard to the existence of the facts upon which the creation of the housing authority is predicated. Whether an appeal will lie from the municipal corporation to review such findings, quaere. Cox v. Kinston, 217 N.C. 391, 8 S.E.2d 252 (1940).

Publication of Notice. — Under this section publication of notice is not required for the creation of a rural housing authority, and a rural housing authority duly created thereunder is a

municipal corporation created for a public purpose and realty acquired by such authority is exempt from taxation. Mallard v. Eastern Carolina Regional Housing Auth., 221 N.C. 334, 20 S.E.2d 281 (1942).

Cited in Sides v. Cabarrus Mem. Hosp., 22 N.C. App. 117, 205 S.E.2d 784 (1974).

§ 157-4.1. Alternative organization. — (a) In lieu of creating a housing authority as authorized herein, the council of any city may, if it deems wise, either designate a redevelopment commission created under the provisions of Chapter 160 of the General Statutes to exercise the powers, duties, and responsibilities of a housing authority as prescribed herein, or may itself exercise such powers, duties, and responsibilities. Any such designation shall be by passage of a resolution adopted in accordance with the procedure and pursuant to the finding specified in the first and second paragraphs of G.S. 157-4. In the event the council of any city designates itself to exercise the powers, duties, and responsibilities of a housing authority, then where any act, proceeding, or approval is required to be done, recommended, or approved both by a housing authority and by the council of the city, then the performance, recommendation, or approval thereof once by the council of the city shall be sufficient to make such performance, recommendation, or approval valid and legal. In the event the council of the city designates itself to exercise the powers, duties, and responsibilities of a housing authority, it may assign the administration of the housing programs, projects, and policies to any existing or new department of the city.

(b) The council of any city which has prior to July 1, 1969, created, or which may hereafter create, a housing authority may, in its discretion, by resolution abolish such housing authority, such abolition to be effective on a day set in such resolution not less than 90 days after its adoption. Upon the adoption of such a resolution, the housing authority of the city is hereby authorized and directed to take such actions and to execute such documents as will carry into effect the provisions and the intent of the resolution, and as will effectively transfer its authority, responsibilities, obligations, personnel, and property, both real and personal, to the city. Any city which abolishes a housing authority pursuant to this subsection may, at any time subsequent to such abolition or concurrently therewith, exercise the authority granted by subsection (a) of this section.

On the day set in the resolution of the council:

(1) The housing authority shall cease to exist as a body politic and corporate and as a public body;

(2) All property, real and personal and mixed, belonging to the housing authority shall vest in, belong to, and be the property of the city;

(3) All judgments, liens, rights of liens, and causes of action of any nature in favor of the housing authority shall remain, vest in, and inure to the benefit of the city;

(4) All rentals, taxes, assessments, and any other funds, charges or fees, owing to the housing authority shall be owed to and collected by the city;

(5) Any actions, suits, and proceedings, pending against, or having been instituted by the housing authority shall not be abated by such abolition, but all such actions, suits, and proceedings shall be continued and completed in the same manner as if abolition had not occurred, and the city shall be a party to all such actions, suits, and proceedings in the place and stead of the housing authority and shall pay or cause to be paid any judgments rendered against the housing authority in any such actions, suits, or proceedings, and no new process need be served in any such action, suit, or proceeding;

(6) All obligations of the housing authority, including outstanding indebtedness, shall be assumed by the city, and all such obligations and

outstanding indebtedness shall be constituted obligations and indebtedness of the city;

(7) All ordinances, rules, regulations and policies of the housing authority shall continue in full force and effect until repealed or amended by the council of the city.

(c) Where the governing body of any municipality has in its discretion, by resolution abolished a housing authority, pursuant to subsection (b) above, the governing body of such municipality may, at any time subsequent to the passage of a resolution abolishing a housing authority, or concurrently therewith, by the passage of a resolution adopted in accordance with the procedures and pursuant to the finding specified in G.S. 157-4.1, designate an existing redevelopment commission created pursuant to Article 37 of Chapter 160 of the General Statutes, to exercise the powers, duties, and responsibilities of a housing authority. Where the governing body of any municipality designates, pursuant to this subsection, an existing redevelopment commission created pursuant to Article 37 of Chapter 160 of the General Statutes to exercise the powers, duties, and responsibilities of a housing authority, on the day set in the resolution of the governing body passed pursuant to subsection (b) of this section, or pursuant to subsection (c) of this section:

(1) The housing authority shall cease to exist as a body politic and corporate and as a public body;

(2) All property, real and personal and mixed, belonging to the housing authority or to the municipality as hereinabove provided in subsections (a) or (b), shall vest in, belong to, and be the property of the existing redevelopment commission of the municipality;

(3) All judgments, liens, rights of liens, and causes of action of any nature in favor of the housing authority or in favor of the municipality as hereinabove provided in subsections (a) or (b), shall remain, vest in, and inure to the benefit of the existing redevelopment commission of the municipality;

(4) All rentals, taxes, assessments, and any other funds, charges, or fees owing to the housing authority or owing to the municipality as hereinabove provided in subsections (a) or (b), shall be owed to and collected by the existing redevelopment commission of the municipality;

(5) Any actions, suits, and proceedings pending against or having been instituted by the housing authority or the municipality, or to which the municipality has become a party as hereinabove provided in subsections (a) or (b), shall not be abated by such abolition but all such actions, suits, and proceedings shall be continued and completed in the same manner as if abolition had not occurred, and the existing redevelopment commission of the municipality shall be a party to all such actions, suits, and proceedings in the place and stead of the housing authority or the municipality, and shall pay or cause to be paid any judgments rendered in such actions, suits, or proceedings, and no new processes need be served in such action, suit, or proceeding;

(6) All obligations of the housing authority or the municipality as hereinabove provided in subsections (a) or (b), including outstanding indebtedness, shall be assumed by the existing redevelopment commission of the municipality; and all such obligations and outstanding indebtedness shall be constituted obligations and indebtedness of the existing redevelopment commission of the municipality;

(7) All ordinances, rules, regulations, and policies of the housing authority or the municipality as hereinabove provided in subsections (a) or (b), shall continue in full force and effect until repealed and amended by the existing redevelopment commission of the municipality.

(d) A redevelopment commission designated by the governing body of any municipality to exercise the powers, duties and responsibilities of a housing authority shall, when exercising the same, do so in accordance with Chapter 157 of the General Statutes. Otherwise the redevelopment commission shall continue to exercise the powers, duties and responsibilities of a redevelopment commission in accordance with Article 37 of Chapter 160 of the General Statutes. (1969, c. 1217, s. 2; 1971, c. 116, ss. 3, 4.)

§ 157-4.2. Authority budgeting and accounting systems as a part of city or county budgeting and accounting systems. — The council of a city or the board of commissioners of a county may by resolution provide that the budgeting and accounting systems of the city's or county's housing authority (or, if the city's redevelopment commission is exercising the powers, duties, and responsibilities of a housing authority, the budgeting and accounting systems of the redevelopment commission) shall be an integral part of the budgeting and accounting systems of the city or county. If such a resolution is adopted:

(1) For purposes of the Local Government Budget and Fiscal Control Act, the authority (or commission) shall not be considered a "public authority," as that phrase is defined in G.S. 159-7(b), but rather shall be considered a department or agency of the city or county. The operations of the authority (or commission) shall be budgeted and accounted for as if the operations were those of a public enterprise of the city or county.

(2) The budget of the authority (or commission) shall be prepared and submitted in the same manner and according to the same procedures as are the budgets of other departments and agencies of the city or county; and the budget ordinance of the city or county shall provide for the operations of the authority (or commission).

(3) The budget officer and finance officer of the city or county shall administer and control that portion of the city or county budget ordinance relating to the operations of the authority (or commission). (1971, c. 780, s. 37.1; 1973, c. 474, s. 29.)

§ 157-5. Appointment, qualifications and tenure of commissioners. — An authority shall consist of not less than five nor more than nine commissioners appointed by the mayor and he shall designate the first chairman. No commissioner may be a city official. The council may at any time by resolution or ordinance increase or decrease the membership of an authority, within the limitations herein prescribed.

The mayor shall designate overlapping terms of not less than one nor more than five years for the commissioners first appointed. Thereafter, the term of office shall be five years. A commissioner shall hold office until his successor has been appointed and has qualified. Vacancies shall be filled for the unexpired term. A majority of the commissioners shall constitute a quorum. The mayor shall file with the city clerk a certificate of the appointment or reappointment of any commissioner and such certificate shall be conclusive evidence of the due and proper appointment of such commissioner. A commissioner shall receive no compensation for his services but he shall be entitled to the necessary expenses including traveling expenses incurred in the discharge of his duties.

When the office of the first chairman of the authority becomes vacant, the authority shall select a chairman from among its members. An authority shall select from among its members a vice-chairman, and it may employ a secretary (who shall be executive director), technical experts and such other officers, agents and employees, permanent and temporary, as it may require, and shall determine their qualifications, duties and compensation. An authority may call upon the corporation counsel or chief law officer of the city for such legal services as it may require or it may employ its own counsel and legal staff. An

authority may delegate to one or more of its agents or employees such powers or duties as it may deem proper. (1935, c. 456, s. 5; 1971, c. 362, ss. 2-5.)

Local Modification. — City of Durham: 1971, c. 575; city of Greensboro: 1971, c. 573; city of Wilson: 1953, c. 664.

§ 157-6. Duty of authority and commissioners. — The authority and its commissioners shall be under a statutory duty to comply or to cause compliance strictly with all provisions of this Article and the laws of the State and in addition thereto, with each and every term, provision and covenant in any contract of the authority on its part to be kept or performed. (1935, c. 456, s. 6.)

§ 157-7. Interested commissioners or employees. — No commissioner or employee of an authority shall acquire any interest direct or indirect in any housing project or in any property included or planned to be included in any project, nor shall he have any interest direct or indirect in any contract or proposed contract for materials or services to be furnished or used in connection with any housing project. If any commissioner or employee of an authority owns or controls an interest direct or indirect in any property included or planned to be included in any housing project, he shall immediately disclose the same in writing to the authority and such disclosure shall be entered upon the minutes of the authority. Failure to so disclose such interest shall constitute misconduct in office. (1935, c. 456, s. 7.)

§ 157-8. Removal of commissioners. — The mayor may remove a commissioner for inefficiency or neglect of duty or misconduct in office, but only after the commissioner shall have been given a copy of the charges against him (which may be made by the mayor) at least 10 days prior to the hearing thereon and had an opportunity to be heard in person or by counsel.

Any obligee of the authority may file with the mayor written charges that the authority is violating willfully any law of the State or any term, provision or covenant in any contract to which the authority is a party. The mayor shall give each of the commissioners a copy of such charges at least 10 days prior to the hearing thereon and an opportunity to be heard in person or by counsel and shall within 15 days after receipt of such charges remove any commissioners of the authority who shall have been found to have acquiesced in any such willful violation.

A commissioner shall be deemed to have acquiesced in a willful violation by the authority of a law of this State or of any term, provision or covenant contained in a contract to which the authority is a party, if, before a hearing is held on the charges against him, he shall not have filed a written statement with the authority of his objections to, or lack of participation in, such violation.

In the event of the removal of any commissioner, the mayor shall file in the office of the city clerk a record of the proceedings together with the charges made against the commissioners and the findings thereon. (1935, c. 456, s. 8.)

Local Modification. — City of Durham: 1971, c. 575.

§ 157-9. Powers of authority. — An authority shall constitute a public body and a body corporate and politic, exercising public powers, and having all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this Article, including the following powers in addition to others herein granted:

To investigate into living, dwelling and housing conditions and into the means

and methods of improving such conditions; to determine where unsafe, or insanitary dwelling or housing conditions exist; to study and make recommendations concerning the plan of any city or municipality located within its boundaries in relation to the problem of clearing, replanning and reconstruction of areas in which unsafe or insanitary dwelling or housing conditions exist, and the providing of dwelling accommodations for persons of low income, and to cooperate with any city municipal or regional planning agency; to prepare, carry out and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof; to take over by purchase, lease or otherwise any housing project located within its boundaries undertaken by any government, or by any city or municipality located in whole or in part within its boundaries; to manage as agent of any city or municipality located in whole or in part within its boundaries any housing project constructed or owned by such city; to act as agent for the federal government in connection with the acquisition, construction, operation and/or management of a housing project or any part thereof; to arrange with any city or municipality located in whole or in part within its boundaries or with a government for the furnishing, planning, replanning, installing, opening or closing of streets, roads, roadways, alleys, sidewalks or other places or facilities or for the acquisition by such city, municipality, or government of property, options or property rights or for the furnishing of property or services in connection with a project; to arrange with the State, its subdivisions and agencies, and any county, city or municipality of the State, to the extent that it is within the scope of each of their respective functions, (i) to cause the services customarily provided by each of them to be rendered for the benefit of such housing authority and/or the occupants of any housing projects and (ii) to provide and maintain parks and sewage, water and other facilities adjacent to or in connection with housing projects and (iii) to change the city or municipality map, to plan, replan, zone or rezone any part of the city or municipality; to lease or rent any of the dwelling or other accommodations or any of the lands, buildings, structures or facilities embraced in any housing project and to establish and revise the rents or charges therefor; to enter upon any building or property in order to conduct investigations or to make surveys or soundings; to purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, or otherwise any property real or personal or any interest therein from any person, firm, corporation, city, municipality, or government; to acquire by eminent domain any real property, including improvements and fixtures thereon; to sell, exchange, transfer, assign, or pledge any property real or personal or any interest therein to any person, firm, corporation, municipality, city, or government; to own, hold, clear and improve property; to insure or provide for the insurance of the property or operations of the authority against such risks as the authority may deem advisable; to procure insurance or guarantees from a federal government of the payment of any debts or parts thereof secured by mortgages made or held by the authority on any property included in any housing project; to borrow money upon its bonds, notes, debentures or other evidences of indebtedness and to secure the same by pledges of its revenues, and (subject to the limitations hereinafter imposed) by mortgages upon property held or to be held by it, or in any other manner; in connection with any loan, to agree to limitations upon its right to dispose of any housing project or part thereof or to undertake additional housing projects; in connection with any loan by a government, to agree to limitations upon the exercise of any powers conferred upon the authority by this Article; to invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control; to sue and be sued; to have a seal and to alter the same at pleasure; to have perpetual succession; to make

and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority; to make and from time to time amend and repeal bylaws, rules and regulations not inconsistent with this Article, to carry into effect the powers and purposes of the authority; to conduct examinations and investigations and to hear testimony and take proof under oath at public or private hearings on any matter material for its information; to issue subpoenas requiring the attendance of witnesses or the production of books and papers and to issue commissions for the examination of witnesses who are out of the State or unable to attend before the authority, or excused from attendance; and to make available to such agencies, boards or commissions as are charged with the duty of abating or requiring the correction of nuisances or like conditions, or of demolishing unsafe or insanitary structures within its territorial limits, its findings and recommendations with regard to any building or property where conditions exist which are dangerous to the public health, morals, safety or welfare. Any of the investigations or examinations provided for in this Article may be conducted by the authority or by a committee appointed by it, consisting of one or more commissioners, or by counsel, or by an officer or employee specially authorized by the authority to conduct it. Any commissioner, counsel for the authority, or any person designated by it to conduct an investigation or examination shall have power to administer oaths, take affidavits and issue subpoenas or commissions. An authority may exercise any or all of the powers herein conferred upon it, either generally or with respect to any specific housing project or projects, through or by an agent or agents which it may designate, including any corporation or corporations which are or shall be formed under the laws of this State, and for such purposes an authority may cause one or more corporations to be formed under the laws of this State or may acquire the capital stock of any corporation or corporations. Any corporate agent, all of the stock of which shall be owned by the authority or its nominee or nominees, may to the extent permitted by law exercise any of the powers conferred upon the authority herein. In addition to all of the other powers herein conferred upon it, an authority may do all things necessary and convenient to carry out the powers expressly given in this Article. No provisions with respect to the acquisition, operation or disposition of property by other public bodies shall be applicable to an authority unless the legislature shall specifically so state.

Notwithstanding anything to the contrary contained in this Article or in any other provision of law an authority may include in any contract let in connection with a project, stipulations requiring that the contractor and any subcontractors comply with requirements as to minimum wages and maximum hours of labor, and comply with any conditions which the federal government may have attached to its financial aid of the project. (1935, c. 456, s. 9; 1939, c. 150.)

Authorities created pursuant to §§ 157-2, 157-4, 157-33, and 157-35 are public bodies exercising public powers. Hence, they are sometimes called municipal corporations. Powell v. Eastern Carolina Regional Housing Auth., 251 N.C. 812, 112 S.E.2d 386 (1960).

Not Delegation of Legislative Functions. — The fact that an administrative board or municipal corporation is authorized to investigate and determine the existence or nonexistence of facts upon which depend the application of the law it is charged with administering is not a delegation of legislative functions. Cox v. Kinston, 217 N.C. 391, 8 S.E.2d 252 (1940).

§ 157-10. Cooperation of authorities. — Any two or more authorities may join or cooperate with one another in the exercise, either jointly or otherwise, of any or all of their powers for the purpose of financing (including the issuance of bonds, notes or other obligations and giving security therefor), planning, undertaking, owning, constructing, operating or contracting with respect to a housing project or projects located within the boundaries of any one or more of

said authorities. For such purpose an authority may by resolution prescribe and authorize any other housing authority or authorities, so joining or cooperating with it, to act on behalf with respect to any or all of such powers. Any authorities joining or cooperating with one another may by resolutions appoint from among the commissioners of such authorities an executive committee with full power to act on behalf of such authorities with respect to any or all of their powers, as prescribed by resolutions of such authorities. (1935, c. 456, s. 10; 1943, c. 636, s. 2.)

Cross Reference. — See Editor's note under § 157-39.1.

§ 157-11. Eminent domain.— The authority shall have the right to acquire by eminent domain any real property, including fixtures and improvements, which it may deem necessary to carry out the purposes of this Article after the adoption by it of a resolution declaring that the acquisition of the property described therein is in the public interest and necessary for public use. The authority may exercise the power of eminent domain pursuant to the provisions of either:

(1) G.S. 40-11 to 40-29, both inclusive;

(2) Any other applicable statutory provisions now in force or hereafter enacted for the exercise of the power of eminent domain.

Property already devoted to a public use may be acquired, provided, that no property belonging to any city or municipality or to any government may be acquired without its consent and that no property belonging to a public utility corporation may be acquired without the approval of the commission or other officer or tribunal, if any there be, having regulatory power over such corporation. (1935, c. 456, s. 11.)

Editor's Note. — For an article urging revision and recodification of North Carolina's eminent domain laws, see 45 N.C.L. Rev. 587 (1967).

Adoption of Proper Resolution Prerequisite to Exercise of Eminent Domain. — See In re Housing Auth., 233 N.C. 649, 65 S.E.2d 761 (1951).

Discretion of Authority in Selection of Site. — See note to § 157-50.

A housing authority has wide discretion in the selection and location of a site for a housing project; it is not required to select a site in a slum area as the site for a low-rent housing project; and the fact that a few isolated properties in an area to be taken and dismantled are above the average standard of slum properties, or that some few desirable homes would be taken, does not affect the public character of the condemnation proceeding. Martin v. North Carolina Housing Corp., 277 N.C. 29, 175 S.E.2d 665 (1970).

§ 157-12. Acquisition of land for government. — The authority may acquire by purchase or by the exercise of its power of eminent domain, as aforesaid, any property real or personal for any housing project being constructed or operated by a government. The authority upon such terms and conditions, with or without consideration, as it shall determine, may convey title or deliver possession of such property so acquired or purchased to such government for use in connection with such housing project. (1935, c. 456, s. 12.)

§ 157-13. Zoning and building laws. — All housing projects of an authority shall be subject to the planning, zoning, sanitary and building laws, ordinances and regulations applicable to the locality in which the housing project is situated. (1935, c. 456, s. 13.)

Applied in Philbrook v. Chapel Hill Housing Auth., 269 N.C. 598, 153 S.E.2d 153 (1967).

§ 157-14. Types of bonds authority may issue. — An authority shall have power to issue bonds from time to time in its discretion for any of its corporate purposes. An authority shall also have power to issue or exchange refunding bonds for the purpose of paying, retiring, extending or renewing bonds previously issued by it. An authority may issue such types of bonds as it may determine, including (without limiting the generality of the foregoing) bonds on which the principal and interest are payable from income and revenues of the authority and from grants or contributions from the federal government or other source. Such income and revenues securing the bonds may be:

(1) Exclusively the income and revenues of the housing project financed in whole or in part with the proceeds of such bonds;

(2) Exclusively the income and revenues of certain designated housing projects, whether or not they are financed in whole or in part with the proceeds of such bonds; or

(3) The income and revenues of the authority generally.

Any such bonds may be additionally secured by a pledge of any income or revenues of the authority, or a mortgage of any housing project, projects or other property of the authority.

Neither the commissioners of an authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. The bonds and other obligations of an authority (and such bonds and obligations shall so state in their face) shall not be a debt of any city or municipality and neither the State nor any such city or municipality shall be liable thereon, nor in any event shall such bonds or obligations be payable out of any funds or properties other than those of said authority. The bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation of the laws of the State. Bonds may be issued under this Article notwithstanding any debt or other limitation prescribed in any statute.

This Article without reference to other statutes of the State shall constitute full and complete authority for the authorization, issuance, delivery and sale of bonds hereunder and such authorization, issuance, delivery and sale shall not be subject to any conditions, restrictions or limitations imposed by any other law whether general, special or local. (1935, c. 456, s. 14; 1939, c. 150, s. 2.)

A city or town is not liable on the bonds of a housing authority within its territory, it being expressly provided that neither the State nor the city or town shall be liable, and the authority not being an agency of the city or town so as to contravene this express statutory provision. Wells v. Housing Auth., 213 N.C. 744, 197 S.E. 693 (1938).

Quoted in Martin v. North Carolina Housing Corp., 277 N.C. 29, 175 S.E.2d 665 (1970).

§ 157-15. Form and sale of bonds. — The bonds of the authority shall be authorized by its resolution and shall be issued in one or more series and shall bear such date or dates, mature at such time or times, not exceeding 60 years from their respective dates, bear interest at such rate or rates, be in such denominations (which may be made interchangeable), be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption (with or without premium) as such resolution or its trust indenture or mortgage may provide.

The bonds may be sold at public sale held after notice published once at least 10 days prior to such sale in a newspaper having a general circulation in the city and in a financial newspaper published in the City of New York, New York or in the City of Chicago, Illinois; provided, however, that such bonds may be sold to the federal government at private sale without any public advertisement. The bonds may be sold at such price or prices as the authority shall determine.

Pending the authorization, preparation, execution or delivery of definitive

bonds, the authority may issue interim certificates, or other temporary obligations, to the purchaser of such bonds. Such interim certificates, or other temporary obligations, shall be in such form, contain such terms, conditions and provisions, bear such date or dates, and evidence such agreements relating to their discharge or payment or the delivery of definitive bonds as the authority may by resolution, trust indenture or mortgage determine.

In case any of the officers whose signatures appear on any bonds or coupons shall cease to be such officers before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if they had remained in office until such delivery.

The authority shall have power out of any funds available therefor to purchase any bonds issued by it at a price not more than the principal amount thereof and the accrued interest; provided, however, that bonds payable exclusively from the revenues of a designated project or projects shall be purchased out of any such revenues available therefor. All funds so purchased shall be cancelled. This paragraph shall not apply to the redemption of bonds.

Any provision of any law to the contrary notwithstanding, any bonds, interim certificates, or other obligations issued pursuant to this Article shall be fully negotiable. (1935, c. 456, s. 15; 1971, c. 87, s. 1.)

§ 157-16. Provisions of bonds, trust indentures, and mortgages. — In connection with the issuance of bonds and/or the incurring of any obligation under a lease and in order to secure the payment of such bonds and/or obligations, the authority shall have power:

(1) To pledge by resolution, trust indenture, mortgage (subject to the limitations hereinafter imposed), or other contract, all or any part of its rents, fees, or revenues.

(2) To covenant against mortgaging all or any part of its property, real or personal, then owned or thereafter acquired, or against permitting or suffering any lien thereon.

(3) To covenant with respect to limitations on its right to sell, lease or otherwise dispose of any housing project or any part thereof, or with respect to limitations on its right to undertake additional housing projects.

(4) To covenant against pledging all or any part of its rents, fees and revenues to which its right then exists or the right to which may thereafter come into existence or against permitting or suffering any lien thereon.

(5) To provide for the release of property, rents, fees and revenues from any pledge or mortgage, and to reserve rights and powers in, or the right to dispose of, property which is subject to a pledge or mortgage.

(6) To covenant as to the bonds to be issued pursuant to any resolution, trust indenture, mortgage or other instrument and as to the issuance of such bonds in escrow or otherwise, and as to the use and disposition of the proceeds thereof.

(7) To covenant as to what other, or additional debt, may be incurred by it.

(8) To provide for the terms, form, registration, exchange, execution and authentication of bonds.

(9) To provide for the replacement of lost, destroyed or mutilated bonds.

(10) To covenant that the authority warrants the title to the premises.

(11) To covenant as to the rents and fees to be charged, the amount (calculated as may be determined) to be raised each year or other period of time by rents, fees, and other revenues and as to the use and disposition to be made thereof.

(12) To covenant as to the use of any or all of its property, real or personal.

(13) To create or to authorize the creation of special funds in which there shall be segregated

a. The proceeds of any loan and/or grant;
b. All of the rents, fees and revenues of any housing project or projects or parts thereof;
c. Any moneys held for the payment of the costs of operation and maintenance of any such housing projects or as a reserve for the meeting of contingencies in the operation and maintenance thereof;
d. Any moneys held for the payment of the principal and interest on its bonds or the sums due under its leases and/or as a reserve for such payments; and
e. Any moneys held for any other reserves or contingencies; and to covenant as to the use and disposal of the moneys held in such funds.

(14) To redeem the bonds, and to covenant for their redemption and to provide the terms and conditions thereof.
(15) To covenant against extending the time for the payment of its bonds or interest thereon, directly or indirectly, by any means or in any manner.
(16) To prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given.
(17) To covenant as to the maintenance of its property, the replacement thereof, the insurance to be carried thereon and the use and disposition of insurance moneys.
(18) To vest in an obligee of the authority the right, in the event of the failure of the authority to observe or perform any covenant on its part to be kept or performed, to cure any such default and to advance any moneys necessary for such purpose, and the moneys so advanced may be made an additional obligation of the authority with such interest, security and priority as may be provided in any trust indenture, mortgage, lease or contract of the authority with reference thereto.
(19) To covenant and prescribe as to the events of default and terms and conditions upon which any or all of its bonds shall become or may be declared due before maturity and as to the terms and conditions upon which such declaration and its consequences may be waived.
(20) To covenant as to the right, liabilities, powers and duties arising upon the breach by it of any covenant, condition, or obligation.
(21) To covenant to surrender possession of all or any part of any housing project or projects upon the happening of an event of default (as defined in the contract) and to vest in an obligee the right without judicial proceedings to take possession and to use, operate, manage and control such housing projects or any part thereof, and to collect and receive all rents, fees and revenues arising therefrom in the same manner as the authority itself might do and to dispose of the moneys collected in accordance with the agreement of the authority with such obligee.
(22) To vest in a trustee or trustees the right to enforce any covenant made to secure, to pay, or in relation to the bonds, to provide for the powers and duties of such trustee or trustees, to limit liabilities thereof and to provide the terms and conditions upon which the trustee or trustees or the holders of bonds or any proportion of them may enforce any such covenant.
(23) To make covenants other than in addition to the covenants herein expressly authorized, of like or different character.
(24) To execute all instruments necessary or convenient in the exercise of the powers herein granted or in the performance of its covenants or duties, which may contain such covenants and provisions, in addition

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to those above specified as the government or any purchaser of the bonds of the authority may reasonably require.

(25) To make such covenants and to do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds, or in the absolute discretion of the authority tend to make the bonds more marketable; notwithstanding that such covenants, acts or things may not be enumerated herein; it being the intention hereof to give the authority power to do all things in the issuance of bonds, in the provisions for their security that are not inconsistent with the Constitution of the State and no consent or approval of any judge or court shall be required thereof; provided, however, that the authority shall have no power to mortgage all or any part of its property, real or personal, except as provided in G.S. 157-17. (1935, c. 456, s. 16.)

§ 157-17. Power to mortgage when project financed with governmental aid. — In connection with any project financed in whole or in part by a government, the authority shall also have power to mortgage all or any part of its property, real or personal, then owned or thereafter acquired, and thereby:

(1) To vest in a government the right, upon the happening of an event of default (as defined in such mortgage), to foreclose such mortgage through judicial proceedings or through the exercise of a power of sale without judicial proceedings, so long as a government shall be the holder of any of the bonds secured by such mortgage.

(2) To vest in a trustee or trustees the right, upon the happening of an event of default (as defined in such mortgage), to foreclose such mortgage through judicial proceedings or through the exercise of a power of sale without judicial proceedings, but only with the consent of the government which aided in financing the housing project involved.

(3) To vest in other obligees the right to foreclose such mortgage by judicial proceedings, but only with the consent of the government which aided in financing the project involved.

(4) To vest in an obligee, including a government, the right in foreclosing any mortgage as aforesaid, to foreclose such mortgage as to all or such part or parts of the property covered thereby as such obligee (in its absolute discretion) shall elect; the institution, prosecution and conclusion of any such foreclosure proceedings and/or the sale of any such parts of the mortgaged property shall not affect in any manner or to any extent the lien of the mortgage on the parts of the mortgaged property not included in such proceedings or not sold as aforesaid. (1935, c. 456, s. 17.)

§ 157-18. Remedies of an obligee of authority. — An obligee of the authority shall have the right in addition to all other rights which may be conferred on such obligee subject only to any contractual restrictions binding upon such obligee:

(1) By mandamus, suit, action or proceeding in law or equity (all of which may be joined in one action) to compel the authority, and the commissioners, officers, agents or employees thereof to perform each and every term, provision and covenant contained in any contract of the authority, and to require the carrying out of any or all covenants and agreements of the authority and the fulfillment of all duties imposed upon the authority by this Article.

(2) By suit, action or proceeding in equity to enjoin any acts or things which may be unlawful, or the violation of any of the rights of such obligee of the authority.

(3) By suit, action or proceeding in any court of competent jurisdiction to cause possession of any housing project or any part thereof to be

surrendered to any obligee having the right to such possession pursuant to any contract of the authority. (1935, c. 456, s. 18.)

§ 157-19. Additional remedies conferrable by mortgage or trust indenture. — Any authority shall have power by its trust indenture, mortgage, lease or other contract to confer upon any obligee holding or representing a specified amount in bonds, lease or other obligations the right upon the happening of an "event of default" as defined in such instrument:

(1) By suit, action or proceeding in any court of competent jurisdiction to obtain the appointment of a receiver of any housing project of the authority or any part or parts thereof. If such receiver be appointed, he may enter and take possession of such housing project or any part or parts thereof and operate and maintain same, and collect and receive all fees, rents, revenues, or other charges thereafter arising therefrom in the same manner as the authority itself might do and shall keep such moneys in a separate account or accounts and apply the same in accordance with the obligations of the authority as the court shall direct.

(2) By suit, action or proceeding in any court of competent jurisdiction to require the authority and the commissioners thereof to account as if it and they were the trustees of an express trust. (1935, c. 456, s. 19.)

§ 157-20. Remedies cumulative. — All the rights and remedies hereinabove conferred shall be cumulative and in addition to all other rights and remedies that may be conferred upon such obligee of the authority by law or by any contract with the authority. (1935, c. 456, s. 20.)

§ 157-21. Limitations on remedies of obligee. — No interest of the authority in any property, real or personal, shall be subject to sale by the foreclosure of a mortgage thereon, either through judicial proceedings or the exercise of a power of sale contained in such mortgage, except in the case of the mortgages provided for in G.S. 157-17. All property of the authority shall be exempt from levy and sale by virtue of an execution, and no execution or other judicial process shall issue against the same. No judgment against the authority shall be a charge or lien upon its property, real or personal. The provisions of this section shall not apply to or limit the right of obligees to foreclose any mortgage of the authority provided for in G.S. 157-17, and in case of a foreclosure sale thereunder, to obtain a judgment or decree for any deficiency due on the indebtedness secured thereby and issue on the credit of the authority. Such deficiency judgment or decree shall be a lien and charge upon the property of the authority, which may be levied on and sold by virtue of an execution or other judicial process for the purpose of satisfying such deficiency judgment or decree. (1935, c. 456, s. 21.)

§ 157-22. Title obtained at foreclosure sale subject to agreement with government. — Notwithstanding anything in this Article to the contrary, any purchaser or purchasers at a sale of real or personal property of the authority whether pursuant to any foreclosure of a mortgage, pursuant to judicial process or otherwise, shall obtain title subject to any contract between the authority and a government relating to the supervision by a government of the operation and maintenance of such property and the construction of improvements thereon. (1935, c. 456, s. 22.)

§ 157-23. Contracts with federal government. — In addition to the powers conferred upon the authority by other provisions of this Article, the authority is empowered to borrow money and/or accept grants from the federal government for or in aid of the construction of any housing project which such authority is authorized by this Article to undertake, to take over any land

acquired by the federal government for the construction of a housing project, to take over or lease or manage any housing project constructed or owned by the federal government, and to these ends, to enter into such contracts, mortgages, trust indentures, leases or other agreements as the federal government may require including agreements that the federal government shall have the right to supervise and approve the construction, maintenance and operation of such housing project. It is the purpose and intent of this Article to authorize every authority to do any and all things necessary to secure the financial aid and the cooperation of the federal government in the construction, maintenance and operation of any housing project which the authority is empowered by this Article to undertake. (1935, c. 456, s. 23.)

§ 157-24. Security for funds deposited by authorities. — The authority may by resolution provide that

(1) All moneys deposited by it shall be secured by obligations of the United States or of the State of a market value equal at all times to the amount of such deposits or

(2) By any securities in which savings banks may legally invest funds within their control or

(3) By an undertaking with such sureties as shall be approved by the authority faithfully to keep and pay over upon the order of the authority any such deposits and agreed interest thereon, and all banks and trust companies are authorized to give any such security for such deposits. (1935, c. 456, s. 24.)

§ 157-25. Housing bonds, legal investments and security. — The State and all public officers, municipal corporations, political subdivisions, and public bodies, all banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations, and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds issued by a housing authority established (or hereafter established) pursuant to this Article or issued by any public housing authority or agency in the United States, when such bonds are secured by a pledge of annual contributions to be paid by the United States government or any agency thereof, or bonds which may be issued notwithstanding any other limitations of this Chapter, by a not-for-profit corporate agency of a housing authority secured by rentals payable pursuant to section 23 of the United States Housing Act of 1937, as amended, and any such bonds shall be authorized security for all public deposits and shall be fully negotiable in this State; it being the purpose of this Article to authorize any persons, firms, corporations, associations, political subdivisions, bodies and officers, public or private, to use any funds owned or controlled by them, including (but not limited to) sinking, insurance, investment, retirement, compensation, pension and trust funds, and funds held on deposit, for the purchase of any such bonds and that any such bonds shall be authorized security for all public deposits and shall be fully negotiable in this State: Provided, however, that nothing contained in this Article shall be construed as relieving any person, firm or corporation from any duty of exercising reasonable care in selecting securities. (1935, c. 456, s. 25; 1941, c. 78, s. 3; 1971, c. 1161.)

§ 157-26. Tax exemptions. — The authority shall be exempt from the payment of any taxes or fees to the State or any subdivision thereof, or to any officer or employee of the State or any subdivision thereof. The property of an authority used for public purposes shall be exempt from all local and municipal taxes and for the purposes of such tax exemption, it is hereby declared as a

matter of legislative determination that an authority is and shall be deemed to be a municipal corporation. Bonds, notes, debentures and other evidences of indebtedness of an authority heretofore or hereafter issued are declared to be issued for a public purpose and to be public instrumentalities and, together with the interest thereon, shall be exempt from taxes. (1935, c. 456, s. 26; 1953, c. 907; 1973, c. 695, s. 7.)

Editor's Note. — For brief comment on the 1953 amendment to this section, see 31 N.C.L. Rev. 442 (1953).

Authority Exempt from Ad Valorem Taxes. — Since a housing authority created under § 157-1 and the following section is a municipal corporation created for a public, governmental purpose, its property is exempt from the State, county and municipal taxation. Wells v. Housing Auth., 213 N.C. 744, 197 S.E. 693 (1938), decided prior to the 1973 amendment.

The case of Wells v. Housing Auth., 213 N.C. 744, 197 S.E. 693 (1938), construed this Article with respect to ad valorem taxes only. Housing Auth. v. Johnson, 261 N.C. 76, 134 S.E.2d 121 (1964).

But Collection of Sales Tax from Housing Authority Is Not Prohibited. — Neither the Constitution of this State nor the Constitution and laws of the United States prohibit the collection of a sales tax on purchases of tangible personal property made by a housing authority duly created, organized and existing under and by virtue of the Housing Authorities Law enacted in 1935 by the General Assembly of North Carolina. Housing Auth. v. Johnson, 261 N.C. 76, 134 S.E.2d 121 (1964).

Such Authority Is Not Entitled to Refund of Sales Taxes as City or Town. — A housing authority created pursuant to the provisions of the Housing Authorities Law is a municipal corporation but is not an incorporated city or town, and is not entitled to the refund of sales taxes paid on purchases of tangible personal property pursuant to the provisions of § 105-164.14(c). Housing Auth. v. Johnson, 261 N.C. 76, 134 S.E.2d 121 (1964).

Nor as Charitable Organization. — A municipal corporation or public agency created, organized and existing under and by virtue of the laws of this State, more particularly the Housing Authorities Law, codified as this Article, is not a charitable organization within the meaning of the refund provisions of § 105-164.14(b). Housing Auth. v. Johnson, 261 N.C. 76, 134 S.E.2d 121 (1964).

Quoted in Martin v. North Carolina Housing Corp., 277 N.C. 29, 175 S.E.2d 665 (1970).

§ 157-27. Reports. — The authority shall at least once a year file with the mayor of the city a report of its activities for the preceding year, and shall make any recommendations with reference to any additional legislation or other action that may be necessary in order to carry out the purposes of this Article. (1935, c. 456, s. 27.)

Local Modification. — City of Durham: 1971, c. 575.

§ 157-28. Restriction on right of eminent domain; right of appeal preserved; investigation by Utilities Commission. — Notwithstanding any finding of public convenience and necessity, either in general or specific, by the terms of this Article, the right of eminent domain shall not be exercised unless and until a certificate of public convenience and necessity for such project has been issued by the Utilities Commission of North Carolina, and the proceedings leading up to the issuing of such certificate of public convenience and necessity, and the right to appeal therefrom shall be as now provided by law and said rights are hereby expressly reserved to all interested parties in said proceedings. In addition to the powers now granted by law to the Utilities Commission of North Carolina, the said Utilities Commission is hereby vested with full power and authority to investigate and examine all projects set up or attempted to be set up under the provisions of this Article and determine the question of the public convenience and necessity for said project. (1935, c. 456, s. 28.)

Cited in In re Housing Auth., 233 N.C. 649, 65 S.E.2d 761 (1951); Martin v. North Carolina Housing Corp., 277 N.C. 29, 175 S.E.2d 665 (1970).

§ 157-29. Rentals and tenant selection. — It is hereby declared to be the policy of this State that each housing authority shall manage and operate its housing projects in an efficient manner so as to enable it to fix the rentals for dwelling accommodations at the lowest possible rates consistent with its providing decent, safe and sanitary dwelling accommodations, and that no housing authority shall construct or operate any such project for profit, or as a source of revenue to the city. To this end an authority shall fix the rentals for dwellings in its projects at no higher rates than it shall find to be necessary in order to produce revenues which (together with all other available moneys, revenues, income and receipts of the authority from whatever sources derived) will be sufficient

(1) To pay, as the same become due, the principal and interest on the bonds of the authority;

(2) To meet the cost of, and to provide for, maintaining and operating the projects (including the cost of any insurance) and the administrative expenses of the authority; and

(3) To create (during not less than the six years immediately succeeding its issuance of any bonds) a reserve sufficient to meet the largest principal and interest payment which will be due on such bonds in any one year thereafter and to maintain such reserve.

In the operation or management of housing projects an authority shall at all times observe the following duties with respect to rentals and tenant selection:

(1) It may rent or lease the dwelling accommodations therein only to persons who lack the amount of income which is necessary (as determined by the housing authority undertaking the housing project) to enable them, without financial assistance, to live in decent, safe and sanitary dwellings, without overcrowding;

(2) It may rent or lease the dwelling accommodations only at rentals within the financial reach of such persons;

(3) It may rent or lease to a tenant dwelling accommodations consisting of the number of rooms (but no greater number) which it deems necessary to provide safe and sanitary accommodations to the proposed occupants thereof, without overcrowding; and

(4) It shall not accept any person as a tenant in any housing project if the person or persons who would occupy the dwelling accommodations have an annual net income in excess of five times the annual rental of the quarters to be furnished such person or persons, except that in the case of families with three or more minor dependents, such ratio shall not exceed six to one; in computing the rental for this purpose of selecting tenants, there shall be included in the rental the average annual cost (as determined by the authority) to occupants of heat, water, electricity, gas, cooking range and other necessary services or facilities, whether or not the charge for such services and facilities is in fact included in the rental.

Nothing contained in this section shall be construed as limiting the power of an authority to vest in an obligee the right, in the event of a default by the authority, to take possession of a housing project or cause the appointment of a receiver thereof, free from all the restrictions imposed by this section. (1939, c. 150.)

Preference of Landowners Conveying Property. — An agreement of a rural housing authority giving priority in occupancy of its dwelling units to those landowners, or the tenants, sharecroppers or farm wage hands of such landowners, who convey property to the authority, provided that they come within the definition of families of low income is not unlawful discrimination in favor of such class. Mallard v. Eastern Carolina Regional Housing Auth., 221 N.C. 334, 20 S.E.2d 281 (1942).

When the annual net income of the tenant exceeds the prescribed limit, he must move to other dwelling accommodations. Martin v. North Carolina Housing Corp., 277 N.C. 29, 175 S.E.2d 665 (1970).

§ 157-30. Creation and establishment validated. — The creation and establishment of housing authorities under the provisions of Chapter 456, Public Laws of 1935, as amended by Chapter 2, Public Laws of 1938, Extra Session, and as further amended by Chapter 150, Public Laws of 1939, and any additional amendments thereto, known as the Housing Authorities Law [G.S. 157-1 et seq.], together with all proceedings, acts and things heretofore undertaken, performed or done with reference thereto, are hereby validated, ratified, confirmed, approved and declared legal in all respects, notwithstanding any want of statutory authority or any defect or irregularity therein. (1939, c. 118, s. 1; 1941, c. 62, s. 1.)

Cross Reference. — See Editor's note under § 157-32.1.

Editor's Note. — For comment on the 1941 act, see 19 N.C.L. Rev. 484.

§ 157-31. Contracts, agreements, etc., validated. — All contracts, agreements, obligations and undertakings of such housing authorities heretofore entered into relating to financing or aiding in the development, construction, maintenance or operation of any housing project or projects or to obtaining aid therefor from the United States Housing Authority, including (without limiting the generality of the foregoing) loan and annual contributions contracts and leases with the United States Housing Authority, agreements with municipalities or other public bodies (including those which are pledged or authorized to be pledged for the protection of the holders of any notes or bonds issued by such housing authorities or which are otherwise made a part of the contract with such holders of notes or bonds) relating to cooperation and contributions in aid of housing projects, payments (if any) in lieu of taxes, furnishing of municipal services and facilities, and the elimination of unsafe and insanitary dwellings, and contracts for the construction of housing projects, together with all proceedings, acts and things heretofore undertaken, performed or done with reference thereto, are hereby validated, ratified, confirmed, approved and declared legal in all respects, notwithstanding any want of statutory authority or any defect or irregularity therein. (1939, c. 118, s. 2; 1941, c. 62, s. 2.)

Cross Reference. — See Editor's note under § 157-32.1.

§ 157-32. Proceedings for issuance, etc., of bonds and notes validated. — All proceedings, acts and things heretofore undertaken, performed or done in or for the authorization, issuance, execution and delivery of notes and bonds by housing authorities for the purpose of financing or aiding in the development or construction of a housing project or projects, and all notes and bonds heretofore issued by housing authorities are hereby validated, ratified, confirmed, approved and declared legal in all respects, notwithstanding any want of statutory authority or any defect or irregularity therein. (1939, c. 118, s. 3; 1941, c. 62, s. 3.)

Cross Reference. — See Editor's note under § 157-32.1.

§ 157-32.1. Other validation of creation, etc. — The creation, establishment and organization of housing authorities under the provisions of the Housing

Authorities Law (Chapter 456, Public Laws of 1935, as amended, codified as G.S. 157-1 et seq.), together with all proceedings, acts and things heretofore undertaken or done with reference thereto, are hereby validated and declared legal in all respects. (1943, c. 89, s. 1.)

Editor's Note. — This section and §§ 157-32.2 and 157-32.3, validating housing authorities created under § 157-1 et seq., together with certain acts done in connection therewith, are similar to §§ 157-30 through 157-32. The words "notwithstanding any want of statutory authority or any defect or irregularity therein," appearing at the end of §§ 157-30 through 157-32, do not appear in the other sections and they differ slightly in other particulars.

§ 157-32.2. Other validation of contracts, agreements, etc. — All contracts, agreements and undertakings of such housing authorities heretofore entered into relating to financing, or aiding in the development or operation of any housing projects, including (without limiting the generality of the foregoing) loan and annual contributions contracts, agency contracts and leases, agreements with municipalities or other public bodies (including those which are pledged or authorized to be pledged for the protection of the holders of any notes or bonds issued by such housing authorities or which are otherwise made a part of the contract with such holders of notes or bonds) relating to cooperation in aid of housing projects, payments to public bodies in the State, furnishing of municipal services and facilities and the elimination of unsafe and insanitary dwellings, and contracts for the construction of housing projects, together with all proceedings, acts and things heretofore undertaken or done with reference thereto, are hereby validated and declared legal in all respects. (1943, c. 89, s. 2.)

Cross Reference. — See Editor's note under § 157-32.1.

§ 157-32.3. Other validation of bonds and notes. — All proceedings, acts and things heretofore undertaken or done in or for the authorization, issuance, execution and delivery of notes and bonds by housing authorities for the purpose of financing or aiding in the development or construction of a housing project or projects, and all notes and bonds heretofore issued by housing authorities are hereby validated and declared legal in all respects. (1943, c. 89, s. 3.)

Cross Reference. — See Editor's note under § 157-32.1.

§ 157-32.4. Further validation of contracts, agreements, etc. — All contracts or agreements of housing authorities heretofore entered into with the federal government or its agencies, and with municipalities or others relating to financial assistance for housing projects in which it was required that loans or advances shall bear an interest rate in excess of six per centum (6%) per annum, or in which a municipality or others had agreed to pay funds equal to the interest in excess of six per centum (6%) per annum are hereby validated, ratified, confirmed, approved and declared legal with respect to the payment of interest in excess of six per centum (6%), and all things done or performed in reference thereto. The housing authorities are hereby authorized to assume the full obligation of the municipalities under the contracts or agreements with reference to interest in excess of six per centum (6%), and to reimburse any municipality which has made any interest payment under such contracts or agreements. (1971, c. 87, s. 2.)

§ 157-33. Notice, hearing and creation of authority for a county. — Any 25 residents of a county may file a petition with the clerk of the board of county commissioners setting forth that there is a need for an authority to function in

the county. Upon the filing of such a petition such clerk shall give notice of the time, place and purposes of a public hearing at which the board of county commissioners will determine the need for an authority in the county. Such notice shall be given at the county's expense by publishing a notice, at least 10 days preceding the day on which the hearing is to be held, in a newspaper having a general circulation in the county or, if there be no such newspaper, by posting such a notice in at least three public places within the county, at least 10 days preceding the day on which the hearing is to be held.

Upon the date fixed for said hearing to be held upon notice as provided herein, an opportunity to be heard shall be granted to all residents and taxpayers of the county and to all other interested persons. After such a hearing, the board of county commissioners shall determine (i) whether insanitary or unsafe inhabited dwelling accommodations exist in the county and/or (ii) whether there is a lack of safe or sanitary dwelling accommodations in the county available for all the inhabitants thereof. In determining whether dwelling accommodations are unsafe or insanitary, the board of county commissioners shall take into consideration the following: the physical condition and age of the buildings; the degree of overcrowding; the percentage of the land coverage; the light and air available to the inhabitants of such dwelling accommodations; the size and arrangement of the rooms; the sanitary facilities; and the extent to which conditions exist in such buildings which endanger life or property by fire or other causes.

If it shall determine that either or both of the above enumerated conditions exist, the board of county commissioners shall adopt a resolution so finding (which need not go into any detail other than the mere finding) and shall thereupon either (i) determine that the board of county commissioners shall itself constitute and act ex officio as an authority or (ii) appoint, as hereinafter provided, five commissioners to act as an authority. Said authority shall be a public body and a body corporate and politic upon the completion of the taking of the following proceedings:

The commissioners shall present to the Secretary of State an application signed by them, which shall set forth (without any detail other than the mere recital)

(1) That a notice has been given and public hearing has been held as aforesaid, that the board of county commissioners made the aforesaid determination after such hearing and appointed them as commissioners;

(2) The name, and official residence of each of the commissioners, together with a certified copy of the appointment evidencing their right to office, the date and place of induction into and taking oath of office, and that they desire the housing authority to become a public body and a body corporate and politic under this Article;

(3) The term of office of each of the commissioners, except where the authority consists of the board of county commissioners ex officio;

(4) The name which is proposed for the corporation; and

(5) The location of the principal office of the proposed corporation.

The application shall be subscribed and sworn to by each of said commissioners before an officer authorized by the laws of the State to take and certify oaths, who shall certify upon the application that he personally knows the commissioners and knows them to be the officers as asserted in the application, and that each subscribed and swore thereto in the officer's presence. The Secretary of State shall examine the application and if he finds that the name proposed for the corporation is not identical with that of a person or of any other corporation of this State or so nearly similar as to lead to confusion and

uncertainty he shall receive and file it and shall record it in an appropriate book of record in his office.

When the application has been made, filed and recorded, as herein provided, the authority shall constitute a public body and a body corporate and politic under the name proposed in the application; the Secretary of State shall make and issue to the said commissioners, a certificate of incorporation pursuant to this Article, under the seal of the State, and shall record the same with the application.

If the board of county commissioners, after a hearing as aforesaid, shall determine that neither of the above enumerated conditions exist, it shall adopt a resolution denying the petition. After three months shall have expired from the date of the denial of any such petitions, subsequent petitions may be filed as aforesaid and new hearings and determinations made thereon.

In any suit, action or proceeding involving the validity or enforcement of, or relating to any contract of the authority, the authority shall be conclusively deemed to have been established in accordance with the provisions of this Article upon proof of the issuance of the aforesaid certificate by the Secretary of State. A copy of such certificate, duly certified by the Secretary of State, shall be admissible in evidence in any such suit, action or proceeding, and shall be conclusive proof of the filing and contents thereof. (1941, c. 78, s. 4; 1943, c. 636, s. 7; 1969, c. 785, s. 1.)

Cross Reference. — See Editor's note under § 157-39.1.

§ 157-34. Commissioners and powers of authority for a county. — The commissioners of a housing authority created for a county may be appointed and removed by the board of county commissioners of the county in the same manner as the commissioners of a housing authority created for a city may be appointed and removed by the mayor; provided, that the board of county commissioners may determine in the case of any authority for its county that the board of county commissioners itself shall constitute and act ex officio as the authority. Except as otherwise provided herein, each housing authority created for a county and the commissioners thereof shall have the same functions, rights, powers, duties and limitations provided for housing authorities created for cities and the commissioners of such housing authorities: Provided, that for such purposes the term "mayor" or "council" as used in the housing authorities law and any amendments thereto shall be construed as meaning "board of county commissioners," the term "city clerk" as used therein shall be construed as meaning "clerk of the board of county commissioners" and the term "city" as used therein shall be construed as meaning "county" unless a different meaning clearly appears from the context: Provided, further, that a housing authority created for a county shall not be subject to the limitations provided in subdivision (4) of G.S. 157-29 of the housing authorities law with respect to housing projects for farmers of low income. (1941, c. 78, s. 4; 1969, c. 785, s. 2.)

§ 157-35. Creation of regional housing authority. — If the board of county commissioners of each of two or more contiguous counties having an aggregate population of more than 60,000 by resolution declares that there is a need for one housing authority to be created for all of such counties to exercise powers and other functions herein prescribed for a housing authority in such counties, a public body corporate and politic to be known as a regional housing authority for all of such counties to exercise powers and other functions herein prescribed for a housing authority in such counties, a public body corporate and politic to be known as a regional housing authority for all of such counties shall (after

the commissioners thereof file an application with the Secretary of State as hereinafter provided) thereupon exist for and exercise its powers and other functions in such counties; and thereupon any housing authority created for any of such counties shall cease to exist except for the purpose of winding up its affairs and executing a deed to the regional housing authority as hereinafter provided: Provided, that the board of county commissioners shall not adopt a resolution as aforesaid if there is a county housing authority created for such county which has any bonds or notes outstanding unless first, all holders of such bonds and notes consent in writing to the substitution of such regional housing authority in lieu of such county housing authority on all such bonds and notes; and second, the commissioners of such county housing authority adopt a resolution consenting to the transfer of all the rights, contracts, obligations, and property, real and personal, of such county housing authority to such regional housing authority as hereinafter provided: Provided, further, that when the above conditions are complied with and such regional housing authority is created and authorized to exercise its powers and other functions, all rights, contracts, agreements, obligations, and property, real and personal, of such county housing authority shall be in the name of and vest in such regional housing authority, and all obligations of such county housing authority shall be the obligations of such regional housing authority and all rights and remedies of any person against such county housing authority may be asserted, enforced, and prosecuted against such regional housing authority to the same extent as they might have been asserted, enforced, and prosecuted against such county housing authority. When any real property of a county housing authority vests in a regional housing authority as provided above, the county housing authority shall execute a deed of such property to the regional housing authority which thereupon shall file such deed in the office provided for the filing of deeds: Provided, that nothing contained in this sentence shall affect the vesting of property in the regional housing authority as provided above.

The board of county commissioners of each of two or more said contiguous counties shall by resolution declare that there is a need for one regional housing authority to be created for all of such counties to exercise powers and other functions herein prescribed in such counties, if such board of county commissioners finds (and only if it finds)

(1) Insanitary or unsafe dwelling accommodations exist in the area of its respective county and/or there is a lack of safe or sanitary dwelling accommodations in the county available for all the inhabitants thereof and

(2) That a regional housing authority for the proposed region would be a more efficient or economical administrative unit than a housing authority for an area having a smaller population to carry out the purposes of the housing authorities law and any amendments thereto, in such county.

In determining whether dwelling accommodations are unsafe or insanitary, the board of county commissioners shall take into consideration the following: the physical condition and age of the buildings; the degree of overcrowding; the percentage of land coverage; the light and air available to the inhabitants of such dwelling accommodations; the size and arrangement of the rooms; the sanitary facilities; and the extent to which conditions exist in such buildings which endanger life or property by fire or other causes.

If it shall determine that both (1) and (2) of the above enumerated conditions exist, the board of county commissioners shall adopt a resolution so finding (which need not go into any detail other than the mere finding). After the appointment, as hereinafter provided, of the commissioners to act as the regional housing authority, said authority shall be a public body and a body corporate and politic upon the completion of the taking of the following proceedings:

The commissioners shall present to the Secretary of State an application signed by them, which shall set forth (without any detail other than the mere recital)

(1) That the boards of county commissioners made the aforesaid determination and that they have been appointed as commissioners;
(2) The name, and official residence of each of the commissioners, together with a certified copy of the appointment evidencing their right to office, the date and place of induction into and taking oath of office, and that they desire the housing authority to become a public body and a body corporate and politic under this Article;
(3) The term of office of each of the commissioners;
(4) The name which is proposed for the corporation; and
(5) The location of the principal office of the proposed corporation.

The application shall be subscribed and sworn to by each of said commissioners before an officer authorized by the laws of the State to take and certify oaths, who shall certify upon the application that he personally knows the commissioners and knows them to be the officers as asserted in the application, and that each subscribed and swore thereto in the officer's presence. The Secretary of State shall examine the application and if he finds that the name proposed for the corporation is not identical with that of a person or of any other corporation of this State or so nearly similar as to lead to confusion and uncertainty he shall receive and file it and shall record it in an appropriate book of record in his office.

When the application has been made, filed and recorded, as herein provided, the authority shall constitute a public body and a body corporate and politic under the name proposed in the application; the Secretary of State shall make and issue to the said commissioners, a certificate of incorporation pursuant to this Article, under the seal of the State, and shall record the same with the application.

In any suit, action or proceeding involving the validity or enforcement of, or relating to any contract of the regional housing authority, the regional housing authority shall be conclusively deemed to have been established in accordance with the provisions of this Article upon proof of the issuance of the aforesaid certificate by the Secretary of State. A copy of such certificate, duly certified by the Secretary of State, shall be admissible in evidence in any such suit, action or proceeding, and shall be conclusive proof of the filing and contents thereof. (1941, c. 78, s. 4; 1943, c. 636, ss. 3, 7.)

Cross Reference. — See Editor's note under § 157-39.1.

§ 157-36. Commissioners of regional housing authority. — The board of county commissioners of each county included in regional housing authority shall appoint one person as a commissioner of such authority, and each such commissioner to be first appointed by the board of county commissioners of a county may be appointed at or after the time of the adoption of the resolution declaring the need for such regional housing authority or declaring the need for the inclusion of such county in the area of operation of such regional housing authority. When the area of operation of a regional housing authority is increased to include an additional county or counties as provided in this Article, the board of county commissioners of each such county shall thereupon appoint one additional person as a commissioner of the regional housing authority. The board of county commissioners of each county shall appoint the successor of the commissioner appointed by it. If any county is excluded from the area of operation of a regional housing authority, the office of the commissioner of such regional housing authority appointed by the board of county commissioners of

such county shall be thereupon abolished. A certificate of the appointment of any such commissioner signed by the chairman of the board of county commissioners (or the appointing officer) shall be conclusive evidence of the due and proper appointment of such commissioner. If the area of operation of a regional housing authority consists at any time of an even number of counties, the Governor of North Carolina shall appoint one additional commissioner to such regional housing authority whose term of office shall be as herein provided for a commissioner of a regional housing authority, except that such term shall end at any earlier time that the area of operation of the regional housing authority shall be changed to consist of an odd number of counties. The Governor shall likewise appoint each person to succeed such additional commissioner. A certificate of the appointment of any such additional commissioner shall be signed by the Governor and filed with the Secretary of State. A copy of such certificate, duly certified by the Secretary of State, shall be conclusive evidence of the due and proper appointment of such additional commissioner. The commissioners of a regional housing authority shall be appointed for terms of five years except that all vacancies shall be filled for the unexpired terms. Each commissioner shall hold office until his successor has been appointed and has qualified.

For inefficiency or neglect of duty or misconduct in office, a commissioner of a regional housing authority may be removed by the board of county commissioners appointing him, or in the case of the commissioner appointed by the Governor, by the Governor: Provided, that such commissioner shall have been given a copy of the charges against him at least 10 days prior to the hearing thereon and: Provided, that such commissioner shall have had an opportunity to be heard in person or by counsel.

The commissioners appointed as aforesaid shall constitute the regional housing authority, and the powers of such authority shall be vested in such commissioners in office from time to time.

The commissioners of a regional housing authority shall elect a chairman from among the commissioners and shall have power to select or employ such other officers and employees as the regional housing authority may require. A majority of the commissioners of a regional housing authority shall constitute a quorum of such authority for the purpose of conducting its business and exercising its powers and for all other purposes. (1941, c. 78, s. 4; 1943, c. 636, s. 4.)

Cross Reference. — See Editor's note under § 157-39.1.

§ 157-37. Powers of regional housing authority. — Except as otherwise provided herein, a regional housing authority and the commissioners thereof shall, within the area of operation of such regional housing authority, have the same functions, rights, powers, duties and limitations provided for housing authorities created for cities or counties and the commissioners of such housing authorities: Provided, that for such purposes the term "mayor" or "council" as used in the Housing Authorities Law and any amendments thereto shall be construed as meaning "board of county commissioners," the term "city clerk" as used therein shall be construed as meaning "clerk of the board of county commissioners" and the term "city" as used therein shall be construed as meaning "county" unless a different meaning clearly appears from the context: Provided, further, that a regional housing authority shall not be subject to the limitations provided in subdivision (4) of G.S. 157-29 of the Housing Authorities Law with respect to housing projects for farmers of low income. Except as otherwise provided in this Article, all the provisions of law applicable to housing authorities created for counties and the commissioners of such authorities shall

be applicable to regional housing authorities and the commissioners thereof. (1941, c. 78, s. 4; 1943, c. 636, s. 6.)

Cross Reference. — See Editor's note under § 157-39.1.

§ 157-38. Rural housing projects. — Housing authorities created for counties and regional housing authorities are specifically empowered and authorized to borrow money, accept grants and exercise their other powers to provide housing for farmers of low income. In connection with such projects, such housing authorities may enter into such lease or purchase agreements, accept such conveyances and rent or sell dwellings forming part of such projects to or for farmers of low income, as such housing authority deems necessary in order to assure the achievement of the objectives of this Article. Such leases, agreements or conveyances may include such covenants as the housing authority deems appropriate regarding such dwellings and the tracts of land described in any such instrument, which covenants shall be deemed to run with the land where the housing authority deems it necessary and the parties to such instrument so stipulate. Nothing contained in this section shall be construed as limiting any other powers of any housing authority. (1941, c. 78, s. 4.)

§ 157-39. Housing applications by farmers. — The owner of any farm operated, or worked upon, by farmers of low income in need of safe and sanitary housing may file an application with a housing authority of a county or a regional housing authority requesting that it provide for a safe and sanitary dwelling or dwellings for occupancy by such farmers of low income. Such applications shall be received and examined by housing authorities in connection with the formulation of projects or programs to provide housing for farmers of low income. (1941, c. 78, s. 4.)

§ 157-39.1. Area of operation of city, county and regional housing authorities. — The boundaries or area of operation of a housing authority created for a city shall include said city and the area within 10 miles from the territorial boundaries of said city, but in no event shall it include the whole or a part of any other city, except as otherwise provided herein. The area of operation or boundaries of a housing authority created for a county shall include all of the county for which it is created and the area of operation or boundaries of a regional housing authority shall include (except as otherwise provided elsewhere in this Article) all of the counties for which such regional housing authority is created and established: Provided, that a county or regional housing authority shall not undertake any housing project or projects within the boundaries of any city unless a resolution shall have been adopted by the governing body of such city (and also by any housing authority which shall have been theretofore established and authorized to exercise its powers in such city) declaring that there is a need for the county or regional housing authority to exercise its power within such city: Provided, that the jurisdiction of any rural housing authority to which the Secretary of State has heretofore issued a certificate of incorporation shall extend to within a distance of one mile of the town or city limits of any town or city having a population in excess of 500, located in any county now or hereafter constituting a part of the territory of such rural housing authority: Provided, further, that this provision shall not affect the jurisdiction of any city housing authority to which the Secretary of State has heretofore issued a certificate of incorporation. (1943, c. 636, s. 5; 1961, c. 200, s. 2.)

Editor's Note. — The act inserting this section also inserted §§ 157-39.2 through 157-39.8, inclusive, and amended §§ 157-3, 157-4, 157-10, 157-33, 157-35, 157-36 and 157-37. Section 9 of the

amendatory act provided: "The powers conferred by this act shall be in addition and supplemental to the powers conferred by any other law. Nothing contained in this act shall affect the term of office of any commissioner of a housing authority heretofore appointed under the housing authorities law. The enactment of this act shall not be construed to render invalid any action or proceeding had or taken for the creation or establishment of a housing authority pursuant to laws in existence prior to the enactment of this act."

§ 157-39.2. Increasing area of operation of regional housing authority. — The area of operation or boundaries of a regional housing authority shall be increased from time to time to include one or more additional contiguous counties not already within a regional housing authority if the board of county commissioners of each of the counties then included in the area of operation of such regional housing authority, the commissioners of the regional housing authority and the board of county commissioners of each such additional county or counties each adopts a resolution declaring that there is a need for the inclusion of such additional county or counties in the area of operation of such regional housing authority. Upon the adoption of such resolutions, any county housing authority created for any such additional county shall cease to exist except for the purpose of winding up its affairs and executing a deed to the regional housing authority as hereinafter provided. Provided, however, that such resolutions shall not be adopted unless the commissioners of such county housing authority adopt a resolution consenting to the transfer of all the rights, contracts, bonds, and property, real and personal, of such county housing authority to such regional housing authority as hereinafter provided: Provided, further, that when the above condition is complied with and the area of operation of such regional housing authority is increased to include such additional county, as hereinabove provided, all rights, contracts, bonds, and property, real and personal, of such county housing authority shall be in the name of and vested in such regional housing authority, all contracts and bonds of such county housing authority shall be the contracts and bonds of such regional housing authority and all rights and remedies of any person against such county housing authority may be asserted, enforced, and prosecuted against such regional housing authority to the same extent as they might have been asserted, enforced, and prosecuted against such county housing authority.

When any real property of a county housing authority vests in a regional housing authority as provided above, the county housing authority shall execute a deed of such property to the regional housing authority which thereupon shall file such deed in the office provided for the filing of deeds: Provided, that nothing contained in this sentence shall affect the vesting of property in the regional housing authority as provided above.

The board of county commissioners of each of the counties in the regional housing authority, the commissioners of the regional housing authority and the board of county commissioners of each such additional county or counties shall by resolution declare that there is a need for the inclusion of such county or counties in the area of operation of the regional housing authority, only if:

(1) The board of county commissioners of each such additional county or counties find that insanitary or unsafe inhabited dwelling accommodations exist in such county or there is a shortage of safe or sanitary dwelling accommodations in such county available to persons of low income at rentals they can afford, and

(2) The board of county commissioners of each of the counties then included in the area of operation of the regional housing authority, the commissioners of the regional housing authority and the board of county commissioners of each such additional county or counties find that the regional housing authority would be a more efficient or economical administrative unit if the area of operation of the regional housing authority is increased to include such additional county or counties. (1943, c. 636, s. 5; 1971, c. 431, s. 1.)

§ 157-39.3. Decreasing area of operation of regional housing authority. — The area of operation or boundaries of a regional housing authority shall be decreased from time to time to exclude one or more counties from such area if the board of county commissioners of each of the counties in such area and the commissioners of the regional housing authority each adopt a resolution declaring that there is a need for excluding such county or counties from such area: Provided, that if such action decreases the area of operation of the regional housing authority to only one county, such authority shall thereupon constitute and become a housing authority for such county, in the same manner as though such authority were created, and constituted a public and corporate body for such county pursuant to other provisions of this housing authority law, and the commissioners of such authority shall be thereupon appointed as provided for the appointment of commissioners of a housing authority created for a county.

The board of county commissioners of each of the counties in the area of operation of the regional housing authority and the commissioners of the regional housing authority shall adopt a resolution declaring that there is a need for excluding a county or counties from such area only if:

(1) Each such board of county commissioners of the counties to remain in the area of operation of the regional housing authority and the commissioners of the regional housing authority find that, because of facts arising or determined subsequent to the time when such area first included the county or counties to be excluded, the regional housing authority would be a more efficient or economical administrative unit if such county or counties were excluded from such area, and

(2) The board of county commissioners of each county or counties to be excluded and the commissioners of the regional housing authority each also find that another housing authority for such county or counties would be a more efficient or economical administrative unit to function in such county or counties.

Nothing contained herein shall be construed as preventing a county or counties excluded from the area of operation of a regional housing authority, as provided above, from thereafter being included within the area of operation of any housing authority in accordance with this Article.

Any property held by a regional housing authority within a county or counties excluded from the area of operation of such authority as herein provided, shall, as soon as practicable after the exclusion of said county or counties, respectively, be disposed of by such authority in the public interest. (1943, c. 636, s. 5; 1971, c. 431, s. 2.)

§ 157-39.4. Requirements of public hearings. — The board of county commissioners of a county shall not adopt any resolution authorized by G.S. 157-35, 157-39.2 or 157-39.3 unless a public hearing has first been held which shall conform (except as otherwise provided herein) to the requirements of this Housing Authorities Law for hearings to determine the need for a housing authority of a county: Provided, that such hearings may be held by the board of county commissioners without a petition therefor.

In connection with the issuance of bonds, a regional housing authority may covenant as to limitations on its right to adopt resolutions relating to the increase or decrease of its area of operation. (1943, c. 636, s. 5.)

§ 157-39.5. Consolidated housing authority. — If the governing body of each of two or more municipalities (with a population of less than 500, but having an aggregate population of more than 500) by resolution declares that there is a need for one housing authority for all of such municipalities to exercise in such municipalities the powers and other functions prescribed for a housing authority, a public body corporate and politic to be known as a consolidated

housing authority (with such corporate name as it selects) shall thereupon exist for all of such municipalities and exercise its powers and other functions within its area of operation (as herein defined), including the power to undertake projects therein; and thereupon any housing authority created for any of such municipalities shall cease to exist except for the purpose of winding up its affairs and executing a deed of its real property to the consolidated housing authority: Provided, that the creation of a consolidated housing authority and the finding of need therefor shall be subject to the same provisions and limitations of this Housing Authorities Law as are applicable to the creation of a regional housing authority and that all of the provisions of this Housing Authorities Law applicable to regional housing authorities and the commissioners thereof shall be applicable to consolidated housing authorities and the commissioners thereof: Provided, further that the area of operation or boundaries of a consolidated housing authority shall include all of the territory within the boundaries of each municipality joining in the creation of such authority together with the territory within 10 miles of the boundaries of each such municipality, except that such area of operation may be changed to include or exclude any municipality or municipalities (with its aforesaid surrounding territory) in the same manner and under the same provisions as provided in this Article for changing the area of operation of a regional housing authority by including or excluding a contiguous county or counties: Provided, further, that for all such purposes the term "board of county commissioners" shall be construed as meaning "governing body" except in G.S. 157-36, where it shall be construed as meaning "mayor" or other executive head of the municipality, the term "county" shall be construed as meaning "municipality," the term "clerk" shall be construed as meaning "clerk of the municipality or officer with similar duties," the term "region" shall be construed as meaning "area of operation of the consolidated housing authority" and the terms "county housing authority" and "regional housing authority" shall be construed as meaning "housing authority of the city" and "consolidated housing authority," respectively, unless a different meaning clearly appears from the context.

The governing body of any such municipality for which a housing authority has not been created may adopt the above resolution if it first determines that there is a need for a housing authority to function in said municipality, which determination shall be made in the same manner and subject to the same conditions as the determination required by G.S. 157-4 for the creation of a housing authority for a city: Provided, that after notice given by the clerk (or officer with similar duties) of the municipality, the governing body of the municipality may, without a petition therefor, hold a hearing to determine the need for a housing authority to function therein.

Except as otherwise provided herein, a consolidated housing authority and the commissioners thereof shall, within the area of operation of such consolidated housing authority have the same functions, rights, powers, duties, privileges, immunities and limitations as those provided for housing authorities created for cities, counties, or groups of counties and the commissioners of such housing authorities, in the same manner as though all the provisions of law applicable to housing authorities created for cities, counties, or groups of counties were applicable to consolidated housing authorities. (1943, c. 636, s. 5; 1961, c. 200, s. 3; 1965, c. 431, s. 3.)

§ 157-39.6. Findings required for authority to operate in municipality. — No governing body of a city or other municipality shall adopt a resolution as provided in G.S. 157-39.1 declaring that there is a need for a housing authority (other than a housing authority established by such municipality) to exercise its powers within such municipality, unless a public hearing has first been held by such governing body and unless such governing body shall have found in substantially the following terms: (i) that insanitary or unsafe inhabited dwelling

accommodations exist in such municipality or that there is a shortage of safe or sanitary dwelling accommodations in such municipality available to persons of low income at rentals they can afford; and (ii) that these conditions can be best remedied through the exercise of the aforesaid housing authority's powers within the territorial boundaries of such municipality: Provided, that such findings shall not have the effect of thereafter preventing such municipality from establishing a housing authority or joining in the creation of a consolidated housing authority or the increase of the area of operation of a consolidated housing authority. The clerk (or the officer with similar duties) of the city or other municipality shall give notice of the public hearing and such hearing shall be held in the manner provided in G.S. 157-4 for a public hearing by a council to determine the need for a housing authority in the city.

During the time that, pursuant to these findings, a housing authority has outstanding (or is under contract to issue) any evidences of indebtedness for a project within the city or other municipality, no other housing authority may undertake a project within such municipality without the consent of said housing authority which has such outstanding indebtedness or obligation. (1943, c. 636, s. 5.)

§ 157-39.7. Meetings and residence of commissioners. — Nothing contained in this Housing Authorities Law shall be construed to prevent meetings of the commissioners of a housing authority anywhere within the perimeter boundaries of the area of operation of the authority or within any additional area where the housing authority is authorized to undertake a housing project, nor to prevent the appointment of any person as a commissioner of the authority who resides within such boundaries or such additional area, and who is otherwise eligible for such appointment under this Housing Authorities Law. (1943, c. 636, s. 5.)

§ 157-39.8. Agreement to sell as security for obligations to federal government. — In any contract or amendatory or superseding contract for a loan and annual contributions heretofore or hereafter entered into between a housing authority and the federal government with respect to any housing project undertaken by said housing authority, any such housing authority is authorized to make such covenants (including covenants with holders of bonds issued by such authority for purposes of the project involved), and to confer upon the federal government such rights and remedies, as said housing authority deems necessary to assure the fulfillment of the purposes for which the project was undertaken. In any such contract, the housing authority may, notwithstanding any other provisions of law, agree to sell and convey the project (including all lands appertaining thereto) to which such contract relates to the federal government upon the occurrence of such conditions, or upon such defaults on bonds for which any of the annual contributions provided in said contract are pledged, as may be prescribed in such contract, and at a price (which may include the assumption by the federal government of the payment, when due, of the principal of and interest on outstanding bonds of the housing authority issued for purposes of the project involved) determined as prescribed therein and upon such other terms and conditions as are therein provided. Any such housing authority is hereby authorized to enter into such supplementary contracts, and to execute such conveyances, as may be necessary to carry out the provisions hereof. Notwithstanding any other provisions of law, any contracts or supplementary contracts or conveyances made or executed pursuant to the provisions of this section shall not be or constitute a mortgage within the meaning or for the purposes of any of the laws of the State. (1943, c. 636, s. 5.)

ARTICLE 2.

Municipal Cooperation and Aid.

§ 157-40. Finding and declaration of necessity. — It is hereby declared that insanitary or unsafe dwelling accommodations exist in various areas of the State, and that consequently many persons of low income are forced to reside in such dwelling accommodations; that these conditions cause an increase in and spread of disease and crime and constitute a menace to the health, safety, morals and welfare of the citizens of the State and impair economic values; that the clearance, replanning and reconstruction of the areas in which insanitary or unsafe housing conditions exist and the providing of safe and sanitary dwelling accommodations for persons of low income are public uses and purposes for which private property may be acquired; that it is in the public interest that work on such projects be instituted as soon as possible in order to relieve unemployment which now constitutes an emergency; and the necessity in the public interest for the provisions hereinafter enacted, is hereby declared as a matter of legislative determination. (1935, c. 408, s. 1.)

Editor's Note. — For an analysis of this Article, see 13 N.C.L. Rev. 379.

The housing authority of the City of Charlotte, acting in cooperation with the City of Charlotte, is subject to the provisions set forth in this section and subsequent sections in the Housing Authorities Law. In re Housing Auth., 233 N.C. 649, 65 S.E.2d 761 (1951).

§ 157-41. Definitions. — The following terms, whenever used or referred to in this Article, shall have the following respective meanings, unless a different meaning clearly appears from the context:

(1) "City" shall mean any city or town of the State having a population of more than 500 inhabitants according to the last federal census or any revision or amendment thereto.

(2) "Housing authority" shall mean any housing authority organized pursuant to the Housing Authorities Law of this State.

(3) "Housing project" shall mean any undertaking (i) to demolish, clear, remove, alter or repair unsafe or insanitary housing, and/or (ii) to provide dwelling accommodations for persons of low income, and said term may also include such buildings and equipment for recreational or social assemblies for educational, health or welfare purposes, and such necessary utilities as are designed primarily for the benefit and use of the housing authority and/or the occupants of such dwelling accommodations.

(4) "Municipality" shall mean any city, town or incorporated village of the State. (1935, c. 408, s. 2; 1961, c. 200, s. 4.)

Quoted in In re Housing Auth., 233 N.C. 649, 65 S.E.2d 761 (1951).

§ 157-42. Conveyance, lease or agreement in aid of housing project. — For the purpose of aiding and cooperating in the planning, construction and operation of housing projects located within their respective territorial boundaries, the State, its subdivisions and agencies, and any county, city or municipality of the State may, upon such terms, with or without considerations as it may determine:

(1) Dedicate, release, sell, convey, or lease any of its interest in any property, or grant easements, licenses or any other rights or privileges therein to a housing authority or the United States of America or any agency thereof;

(2) Cause parks, playgrounds, recreational, community, educational, water, sewer or drainage facilities, or any other works, which it is otherwise empowered to undertake, to be furnished adjacent to or in connection with housing projects;

(3) Furnish, dedicate, close, pave, install, grade, regrade, plan or replan streets, roads, roadways, alleys, sidewalks or other places, which it is otherwise empowered to undertake;

(4) Plan or replan, zone, or rezone; make exceptions from building regulations and ordinances; any city or town also may change its map;

(5) Cause services to be furnished to the housing authority of the character which it is otherwise empowered to furnish;

(6) Enter into agreements with respect to the exercise by it of its powers relating to the repair, closing or demolition of unsafe, insanitary or unfit dwellings;

(7) Enter into agreements (which may extend over any period, notwithstanding any provision or rule of law to the contrary) with a housing authority respecting action to be taken pursuant to any of the powers granted by this Article. Any law or statute to the contrary notwithstanding, any sale, conveyance, lease or agreement provided for in this section may be made by the State, a city, county, municipality, subdivision or agency of the State without appraisal, public notice, advertisement or public bidding.

(8) With respect to any housing project which a housing authority has acquired or taken over from the United States of America or any agency thereof and which the housing authority by resolution has found and declared to have been constructed in a manner that will promote the public interest and afford necessary safety, sanitation and other protection, no city or county shall require any changes to be made in the housing project or the manner of its construction or take any other action relating to such construction. (1935, c. 408, s. 3; 1939, c. 137.)

Cross Reference. — As to the authority of municipalities in the repair, closing and demolition of unfit dwellings, see § 160A-441 et seq.

Editor's Note. — For comment on the public purpose doctrine, see 3 Wake Forest Intra. L. Rev. 37 (1967).

This Section Does Not Provide Authority to Municipalities to Use Tax or Nontax Money in Day-Care Centers and Federally Subsidized Housing Projects. — See opinion of Attorney General to Dale Shepherd, 42 N.C.A.G. 135 (1972).

§ 157-43. Advances and donations by the city and municipality. — The council or other governing body of the city included within the territorial boundaries of such authority is authorized to make an estimate of the amount of money necessary for the administrative expenses and overhead of the housing authority during the first year following the incorporation of such housing authority, and to appropriate such amount to the authority out of any moneys in the city treasury not appropriated to some other purposes, and to cause the moneys so appropriated to be paid the authority as a donation, and moneys so appropriated and paid to a housing authority by a city shall be deemed to be a necessary expense of such city. In addition thereto, the city and any municipality located in whole or in part within the boundaries of a housing authority shall have the power annually and from time to time to make donations or advances to the authority of such sums as the city or municipality in its discretion may determine. The authority, when it has money available therefor, shall reimburse the city or municipality for all advances by way of loan made to it. (1935, c. 408, s. 5.)

Editor's Note. — For comment on the public purpose doctrine, see 3 Wake Forest Intra. L. Rev. 37 (1967).

§ 157-44. Action of city or municipality by resolution. — Except as otherwise provided in this Article or by the Constitution of the State, all action authorized to be taken under this Article by the council or other governing body of any city or of any municipality may be by resolution adopted by a majority of all the members of its council or other governing body, which resolution may be adopted at the meeting of the council or other governing body at which such resolution is introduced and shall take effect immediately upon such adoption, and no such resolution need be published or posted. (1935, c. 408, s. 5.)

§ 157-45. Restrictions on exercise of right of eminent domain; duties of Utilities Commission; investigation of projects. — Notwithstanding any finding of public convenience and necessity, either in general or specific, by the terms of this Article, the right of eminent domain shall not be exercised unless and until a certificate of public convenience and necessity for such project has been issued by the Utilities Commission of North Carolina, and the proceedings leading up to the issuing of such certificate of public convenience and necessity, and the right to appeal therefrom shall be as now provided by law and said rights are hereby expressly reserved to all interested parties in said proceedings. In addition to the powers now granted by law to the Utilities Commission of North Carolina, the said Utilities Commission is hereby vested with full power and authority to investigate and examine all projects set up or attempted to be set up under the provisions of this Article and determine the question of public convenience and necessity for said project. (1935, c. 408, s. 6.)

Cross Reference. — As to proceedings before the Utilities Commission and appeal therefrom, see §§ 62-60 to 62-82.

Cited in In re Housing Auth., 233 N.C. 649, 65 S.E.2d 761 (1951).

§ 157-46. Purpose of Article. — It is the purpose and intent of this Article that the State, its subdivisions and agencies, and any county, city or municipality of the State shall be authorized, and are hereby authorized, to do any and all things necessary to aid and cooperate in the planning, construction and operation of housing projects by the United States of America and by housing authorities. (1935, c. 408, s. 7.)

§ 157-47. Supplemental nature of Article. — The powers conferred by this Article shall be in addition and supplemental to the powers conferred by any other law. (1935, c. 408, s. 8.)

ARTICLE 3.

Eminent Domain.

§ 157-48. Finding and declaration of necessity. — It is hereby declared that insanitary or unsafe dwelling accommodations exist in various areas of the State and that consequently many persons of low income are forced to reside in such dwelling accommodations; that these conditions cause an increase in and spread of disease and crime and constitute a menace to the health, safety, morals and welfare of the citizens of the State and impair economic values; that the clearance, replanning and reconstruction of the areas in which insanitary or unsafe housing conditions exist and the providing of safe and sanitary dwelling accommodations for persons of low income are public uses and purposes for which private property may be acquired; that it is in the public interest that work

on such projects be instituted as soon as possible in order to relieve unemployment which now constitutes an emergency; and the necessity in the public interest for the provision hereinafter enacted, is hereby declared as a matter of legislative determination. (1935, c. 409, s. 1.)

Cited in In re Housing Auth., 233 N.C. 649, 65 S.E.2d 761 (1951).

§ 157-49. Housing project. — The term "housing project" whenever used in this Article shall mean any undertaking (i) to demolish, clear, remove, alter or repair unsafe or insanitary housing and/or (ii) to provide dwelling accommodations for persons of low income, and said term may also include such buildings and equipment for recreational or social assemblies for educational, health or welfare purposes, and such necessary utilities as are designed primarily for the benefit and use of the occupants of such dwelling accommodations. (1935, c. 409, s. 2.)

§ 157-50. Eminent domain for housing projects. — Any corporation, which is an agency of the United States of America, shall have the right to acquire by eminent domain any real property, including improvements and fixtures thereon, which it may deem necessary for a housing project being constructed, operated or aided by it or the United States of America. Any corporation borrowing money or receiving other financial assistance from the United States of America or any agency thereof for the purpose of financing the construction or operation of any housing project or projects, the operation of which will be subject to public supervision or regulation, shall have the right to acquire by eminent domain any real property, including fixtures and improvements thereon, which it may deem necessary for such project. A housing project shall be deemed to be subject to public supervision or regulation within the meaning of this Article if the rents to be charged by it are in any way subject to the supervision, regulation or approval of the United States of America, the State or any of their subdivisions or agencies, or by a housing authority, city, municipality or county, whether such right to supervise, regulate or approve be by virtue of any law, statute, contract or otherwise.

Any such corporate agency of the United States of America or any such corporation, upon the adoption of a resolution declaring that the acquisition of the property described therein is in the public interest and necessary for public use, may exercise the power of eminent domain pursuant to the provisions of either:

(1) G.S. 40-11 to 40-29, both inclusive;

(2) Any other applicable statutory provisions, now in force or hereafter enacted for the exercise of the power of eminent domain. (1935, c. 409, s. 3.)

Discretion of Housing Authority in Selection of Site. — In determining what property is necessary for a public housing site, a broad discretion is vested by statute in housing authority commissioners, to whom the power of eminent domain is delegated. In re Housing Auth., 235 N.C. 463, 70 S.E.2d 500 (1952); Housing Auth. v. Wooten, 257 N.C. 358, 126 S.E.2d 101 (1962); Philbrook v. Chapel Hill Housing Auth., 269 N.C. 598, 153 S.E.2d 153 (1967).

In the selection of a location for a housing project as authorized under the Housing Authorities Law, the project may be built either in a slum area which has been cleared or upon other suitable site. The housing authority is given wide discretion in the selection and location of a site for such project. In re Housing Auth., 233 N.C. 649, 65 S.E.2d 761 (1951); Philbrook v. Chapel Hill Housing Auth., 269 N.C. 598, 153 S.E.2d 153 (1967).

So extensive is this discretionary power of housing commissioners that ordinarily the selection of a project site may become an issuable question, determinable by the court, on nothing short of allegations charging arbitrary

or capricious conduct amounting to abuse of discretion. However, allegations charging malice, fraud, or bad faith in the selection of a housing project site are not essential to confer the right of judicial review. It suffices to allege and show abuse of discretion. In re Housing Auth., 235 N.C. 463, 70 S.E.2d 500 (1952); Philbrook v. Chapel Hill Housing Auth., 269 N.C. 598, 153 S.E.2d 153 (1967).

A housing authority has wide discretion in the selection and location of a site for a housing project; it is not required to select a site in a slum area as the site for a low-rent housing project; and the fact that a few isolated properties in an area to be taken and dismantled are above the average standard of slum properties, or that some few desirable homes would be taken, does not affect the public character of the condemnation proceeding. Martin v. North Carolina Housing Corp., 277 N.C. 29, 175 S.E.2d 665 (1970).

The fact that a few isolated properties in an area may be taken and dismantled which are above the standard of slum properties, or that some few desirable homes will be taken, will not affect the public character of the condemnation proceeding. In re Housing Auth., 233 N.C. 649, 65 S.E.2d 761 (1951).

Testimony tending to show that other sites were available and suitable for the housing project is relevant and admissible as bearing directly on the question of whether the housing commissioners acted arbitrarily or capriciously in attempting to appropriate the proposed site. In re Housing Auth., 235 N.C. 463, 70 S.E.2d 500 (1952).

Evidence Showing Arbitrary and Capricious Actions in Selecting Site. — See In re Housing Auth., 235 N.C. 463, 70 S.E.2d 500 (1952).

§ 157-51. Certificate of convenience and necessity required; right of appeal; investigation of projects. — Notwithstanding any finding of public convenience and necessity, either in general or specific, by the terms of this Article, the right of eminent domain shall not be exercised unless and until a certificate of public convenience and necessity for such project has been issued by the Utilities Commission of North Carolina, and the proceedings leading up to the issuing of such certificate of public convenience and necessity, and the right to appeal therefrom shall be as now provided by law and said rights are hereby expressly reserved to all interested parties in said proceedings. In addition to the powers now granted by law to the Utilities Commission of North Carolina, the said Utilities Commission is hereby vested with full power and authority to investigate and examine all projects set up or attempted to be set up under the provisions of this Article and determine the question of the public convenience and necessity for said project. (1935, c. 409, s. 4.)

Cross Reference. — As to proceedings before the Utilities Commission and appeal therefrom, see §§ 62-60 to 62-82.

The public need for a public project in a particular community must be made to appear and a certificate of public convenience and necessity must be obtained before the petitioner may proceed to condemn property for such a project. However, it was not the legislative intent to require a petitioner to select and describe in detail the land it might need for the construction of a proposed project before it ascertained whether or not it would be permitted to proceed with the project. In re Housing Auth., 233 N.C. 649, 65 S.E.2d 761 (1951).

The North Carolina Utilities Commission has only one question to consider and determine in connection with an application of a housing authority for a certificate of public convenience and necessity, and that is whether the area within the jurisdiction of the particular housing authority is eligible for the construction of the low-rent dwellings proposed, within the purview of the Housing Authorities Law. In re Housing Auth., 233 N.C. 649, 65 S.E.2d 761 (1951).

The statute does not provide for the North Carolina Utilities Commission to select or approve the selection of the site for a housing project. On the contrary, the selection of a site for such project is vested in the housing authority. In re Housing Auth., 233 N.C. 649, 65 S.E.2d 761 (1951).

Description of Property and Notice to Owners Not Necessary. — The application of a housing authority for a certificate of public convenience and necessity need not contain a description of the property upon which the project is to be located, nor is notice to the owners of such property of the filing of an application for such certificate required. In re Housing Auth., 233 N.C. 649, 65 S.E.2d 761 (1951).

Certificate Does Not Confer Any Interest in Property. — The issuance of a certificate of public convenience and necessity for the construction of low-rent dwellings does not give a local housing authority any right, title or

interest in real estate, even though the property may be described in the petition for the certificate of public convenience and necessity. In re Housing Auth., 233 N.C. 649, 65 S.E.2d 761 (1951).

ARTICLE 4.

National Defense Housing Projects.

§ 157-52. Purpose of Article. — It is hereby found and declared that the National Defense Program involves large increases in the military forces and personnel in this State, a great increase in the number of workers in already established manufacturing centers and the bringing of a large number of workers and their families to new centers of defense industries in the State; that there is an acute shortage of safe and sanitary dwellings available to such persons and their families in this State which impedes the National Defense Program; that it is imperative that action be taken immediately to assure the availability of safe and sanitary dwellings for such persons to enable the rapid expansion of national defense activities in this State and to avoid a large labor turnover in defense industries which would seriously hamper their production; that the provisions hereinafter enacted are necessary to assure the availability of safe and sanitary dwellings for persons engaged in national defense activities which otherwise would not be provided at this time, and that such provisions are for the public use and purpose of facilitating the National Defense Program in this State. It is further declared to be the purpose of this Article to authorize housing authorities to do any and all things necessary or desirable to secure the financial aid of the federal government, or to cooperate with or act as agent of the federal government, in the expeditious development and the administration of projects to assure the availability when needed of safe and sanitary dwellings for persons engaged in national defense activities. (1941, c. 63, s. 1.)

§ 157-53. Definitions. — (a) "Administration," as used in this Article, shall mean any and all undertakings necessary for management, operation or maintenance, in connection with any project, and shall include the leasing of any project (in whole or in part) from the federal government.

(b) "Development" as used in this Article, shall mean any and all undertakings necessary for the planning, land acquisition, demolition, financing, construction or equipment in connection with a project (including the negotiation or award of contracts therefor), and shall include the acquisition of any project (in whole or in part) from the federal government.

(c) "Federal government," as used in this Article, shall mean the United States of America or any agency or instrumentality, corporate or otherwise, of the United States of America.

(d) "Housing authority," as used in this Article, shall mean any housing authority established or hereafter established pursuant to Article 1 of this Chapter.

(e) The development of a project shall be deemed to be "initiated," within the meaning of this Article, if a housing authority has issued any bonds, notes or other obligations with respect to financing the development of such project of the authority, or has contracted with the federal government with respect to the exercise of powers hereunder in the development of such project of the federal government for which an allocation of funds has been made prior to the termination of the present war.

(f) "Persons engaged in national defense activities," as used in this Article shall include: enlisted men in the military and naval services of the United States and employees of the War and Navy Departments assigned to duty at military or naval reservations, posts or bases; and workers engaged or to be engaged in industries connected with and essential to the National Defense Program; and shall include the families of the aforesaid persons who are living with them.

(g) "Persons of low income," as used in this Article, shall mean persons or families who lack the amount of income which is necessary (as determined by the housing authority undertaking the housing project) to enable them, without financial assistance, to live in decent, safe and sanitary dwellings, without overcrowding.

(h) "State public body," as used in this Article, shall include the State, its subdivisions and agencies, and any county, city, town or incorporated village of the State. (1941, c. 63, s. 8; 1943, c. 90, s. 2.)

Editor's Note. — The "present war," referred to in subsection (e), is World War II.

§ 157-54. Rights, powers, etc., of housing authorities relative to national defense projects. — Any housing authority may undertake the development and administration of projects to assure the availability of safe and sanitary dwellings for persons engaged in national defense activities whom the housing authority determines would not otherwise be able to secure safe and sanitary dwellings within the vicinity thereof, but no housing authority shall initiate the development of any such project pursuant to this Article after the termination of the present war.

In the ownership, development or administration of such projects, a housing authority shall have all the rights, powers, privileges and immunities that such authority has under any provision of law relating to the ownership, development or administration of slum clearance and housing projects for persons of low income, in the same manner as though all the provisions of law applicable to slum clearance and housing projects for persons of low income were applicable to projects developed or administered to assure the availability of safe and sanitary dwellings for persons engaged in national defense activities as provided in this Article, and housing projects developed or administered hereunder shall constitute "housing projects" under Article 1 of this Chapter, as that term is used therein: Provided, that during the period (herein called the "national defense period") that a housing authority finds (which finding shall be conclusive in any suit, action or proceeding) that within its authorized area of operation, or any part thereof, there is an acute shortage of safe and sanitary dwellings which impedes the National Defense Program in this State and that the necessary safe and sanitary dwellings would not otherwise be provided when needed for persons engaged in national defense activities, any project developed or administered by such housing authority (or by any housing authority cooperating with it) in such area pursuant to this Article, with the financial aid of the federal government (or as agent for the federal government as hereinafter provided), shall not be subject to the limitations provided in G.S. 157-29; and provided further, that, during the national defense period, a housing authority may make payments in such amounts as it finds necessary or desirable for any services, facilities, works, privileges or improvements furnished for or in connection with any such projects. After the national defense period, any such projects owned and administered by a housing authority shall be administered for the purposes and in accordance with the provisions of Article 1 of this Chapter. (1941, c. 63, s. 2; 1943, c. 90, s. 1.)

Editor's Note. — The "present war," referred to at the end of the first paragraph, is World War II.

§ 157-55. Cooperation with federal government; sale to same. — A housing authority may exercise any or all of its powers for the purpose of cooperating with, or acting as agent for, the federal government in the development or

administration of projects by the federal government to assure the availability of safe and sanitary dwellings for persons engaged in national defense activities and may undertake the development or administration of any such project for the federal government. In order to assure the availability of safe and sanitary housing for persons engaged in national defense activities, a housing authority may sell (in whole or in part) to the federal government any housing projects developed for persons of low income but not yet occupied by such persons; such sale shall be at such price and upon such terms as the housing authority shall prescribe and shall include provision for the satisfaction of all debts and liabilities of the authority relating to such project. (1941, c. 63, s. 3.)

§ 157-56. Cooperation of State public bodies in developing projects. — Any State public body shall have the same rights and powers to cooperate with housing authorities, or with the federal government, with respect to the development or administration of projects to assure the availability of safe and sanitary dwellings for persons engaged in national defense activities that such State public body has pursuant to Article 2 of this Chapter, for the purpose of assisting the development or administration of slum clearance or housing projects for persons of low income. (1941, c. 63, s. 4.)

§ 157-57. Obligations issued for projects made legal investments; security for public deposits. — Bonds or other obligations issued by a housing authority for a project developed or administered pursuant to this Article shall be security for public deposits and legal investments to the same extent and for the same persons, institutions, associations, corporations, bodies and officers as bonds or other obligations issued pursuant to Article 1 of this Chapter for the development of a slum clearance or housing project for persons of low income. (1941, c. 63, s. 5.)

§ 157-58. Bonds, notes, etc., issued heretofore, validated. — All bonds, notes, contracts, agreements and obligations of housing authorities heretofore issued or entered into relating to financing or undertaking (including cooperating with or acting as agent of the federal government in) the development or administration of any project to assure the availability of safe and sanitary dwellings for persons engaged in national defense activities, are hereby validated and declared legal in all respects, notwithstanding any defect or irregularity therein or any want of statutory authority. (1941, c. 63, s. 6.)

§ 157-59. Further declaration of powers granted housing authorities. — This Article shall constitute an independent authorization for a housing authority to undertake the development or administration of projects to assure the availability of safe and sanitary dwellings for persons engaged in national defense activities as provided in this Article and for a housing authority to cooperate with, or act as agent for, the federal government in the development or administration of similar projects by the federal government. A housing authority may do any and all things necessary or desirable to cooperate with, or act as agent for, the federal government, or to secure financial aid, in the expeditious development or in the administration of projects to assure the availability of safe and sanitary dwellings for persons engaged in national defense activities and to effectuate the purposes of this Article. (1941, c. 63, s. 7.)

§ 157-60. Powers conferred by Article supplemental. — The powers conferred by this Article shall be in addition and supplemental to the powers conferred by any other law, and nothing contained herein shall be construed as limiting any other powers of a housing authority. (1941, c. 63, s. 9.)

Cited in In re Housing Auth., 235 N.C. 463, 70 S.E.2d 500 (1952).

Chapter 157A.

Historic Properties Commissions.

§§ 157A-1 to 157A-13: Transferred to §§ 160A-399.1 to 160A-399.13 by Session Laws 1973, c. 426, s. 62.

Chapter 158.

Local Development.

Article 1.

Local Development Act of 1925.

Sec.

158-1. Purposes of Article; expenditures and levy of taxes authorized; elections and levies validated.
158-2. Ratification or petition of voters required; exception as to appropriations from nontax sources.
158-3 to 158-7. [Repealed.]
158-7.1. Local development.
158-7.2. Accounting for expenditures.

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Economic Development Commissions.

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Article 3.

Tax Elections for Industrial Development Purposes.

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158-16. Board of commissioners may call tax election; rate and purposes of tax.
158-17. Registration of voters; election under supervision of county board of elections.
158-18. Form of ballot; when ballots supplied; designation of ballot box.
158-19. Counting of ballots; canvassing, certifying and announcing results of elections.
158-20. Author ed tax rate.
158-21. Creation of industrial development commission; membership and terms of office; vacancies; meetings; selection of officers; bylaws and procedural rules and policies; authority of treasurer and required bond; subsidy or investment in business or industry forbidden.
158-22. Bureau set up under supervision and control of industrial development commission; furnishing county commissioners with proposed budget.
158-23. Board of county commissioners may function and carry out duties of industrial development commission.
158-24. Counties to which Article applies.

Article 1.

Local Development Act of 1925.

§ 158-1. Purposes of Article; expenditures and levy of taxes authorized; elections and levies validated. — The mayor and board of aldermen, or other governing body of any city, or the governing body of any incorporated town, or the county commissioners of any county, may annually set apart and appropriate from the funds derived annually from the general taxes levied and collected in such city, incorporated town, or county, an amount not less than one one-hundredth of one percent (.0001%), nor more than one tenth of one percent (.001%), upon the assessed valuation of all real and personal property taxable in such city, incorporated town, or county, which funds shall be used and expended under the direction and control of the mayor and board of aldermen, or other governing body of such city, or the governing body of any incorporated town, or the county commissioners of any county, under such rules and regulations or through such agencies as they shall prescribe, for the purpose of aiding and encouraging the location of manufacturing enterprises, making industrial surveys and locating industrial and commercial plants in or near such city, or incorporated town or in such county; encouraging the building of railroads thereto, and for such other purposes as will, in the discretion of the mayor and board of aldermen, or other governing body of any city, or the

governing body of any incorporated town, or the county commissioners of any county, increase the population, taxable property, agricultural industries and business prospects of any city, incorporated town, or any county.

Notwithstanding any constitutional limitations or limits provided by any general or special law, taxes within the limits set out above may be levied by the governing body of a county or municipality for the purpose of carrying out the provisions of this Article, and the special permission of the legislature is hereby given for the levying of such taxes, subject to the requirements of G.S. 158-2 and 158-3. Provided, that any elections heretofore held by any county or municipality resulting in the adoption of this Article are hereby ratified and validated, and in such counties and municipalities special levies within the limits set in this section heretofore or hereafter made are hereby ratified and validated. (1925, c. 33, s. 1; 1953, c. 1048, s. 1; 1961, c. 294.)

Local Modification. — City of Burlington: 1969, c. 642.

Editor's Note. — For comment on the public purpose doctrine, see 3 Wake Forest Intra. L. Rev. 37 (1967).

Opinions of Attorney General. — Mrs. Christine Boring, Clerk, Town of Franklin, 40 N.C.A.G. 447 (1969).

Payment of Expenses of Chamber of Commerce. — Prior to the 1961 amendment authorizing a tax levy to carry on the special purposes of this Article, it was held that this Article did not authorize a city to use its tax revenues for the payment of expense incident to the ordinary activities of the chamber of commerce of the city. See Horner v. Chamber of Commerce, 231 N.C. 440, 57 S.E.2d 789 (1950), aff'd, 235 N.C. 77, 68 S.E.2d 660 (1952).

§ 158-2. Ratification or petition of voters required; exception as to appropriations from nontax sources. — No city, incorporated town, or county, shall raise or appropriate money from tax sources under this Article unless and until this Article shall have been approved by a majority of those voting in such city, incorporated town, or county, at an election as provided in this Article; or by a petition of the registered voters in any town of less than 3,000 inhabitants, as provided in this Article. Provided, that money may be appropriated from nontax sources without the election or petition hereinabove required. (1925, c. 33, s. 2; 1959, c. 369; 1963, c. 1229, s. 1.)

Local Modification. — Brunswick, Lenoir, New Hanover, Pender: 1963, c. 1229, s. 1½, as amended by 1967, cc. 236, 315.

Opinions of Attorney General. — Mrs. Christine Boring, Clerk, Town of Franklin, 40 N.C.A.G. 447 (1969).

Cited in Horner v. Chamber of Commerce, 231 N.C. 440, 57 S.E.2d 789 (1950), aff'd, 235 N.C. 77, 68 S.E.2d 660 (1952); Dennis v. City of Raleigh, 253 N.C. 400, 116 S.E.2d 923 (1960).

§ 158-3: Repealed by Session Laws 1973, c. 803, s. 39.

§ 158-4: Repealed by Session Laws 1973, c. 803, s. 40.

§ 158-5: Repealed by Session Laws 1973, c. 803, s. 41

§ 158-6: Repealed by Session Laws 1973, c. 803, s. 42.

§ 158-7: Repealed by Session Laws 1973, c. 803, s. 43.

§ 158-7.1. Local development. — Each county and city in this State is authorized to make appropriations for the purposes of aiding and encouraging the location of manufacturing enterprises, making industrial surveys and locating industrial and commercial plants in or near such city or in the county; encouraging the building of railroads or other purposes which, in the discretion of the governing body of the city or of the county commissioners of the county, will increase the population, taxable property, agricultural industries and business prospects of any city or county. These appropriations may be funded

by levy of property taxes pursuant to G.S. 153A-149 and 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law. (1973, c. 803, s. 37.)

§ 158-7.2. Accounting for expenditures. — In the event funds appropriated for the purposes of this Article are turned over to any agency or organization other than the county or city for expenditure, no such expenditure shall be made until the county or city has approved the same, and all such expenditures shall be accounted for by the agency or organization at the end of the fiscal year for which they were appropriated. (1973, c. 803, s. 38.)

ARTICLE 2.

Economic Development Commissions.

§ 158-8. Creation of municipal, county or regional commissions authorized; composition; joining or withdrawing from regional commissions. — The governing body of any municipality or the board of county commissioners of any county may by resolution create an economic development commission for said municipality or county. The governing bodies of any two or more municipalities and/or counties may by joint resolution, adopted by separate vote of each governing body concerned, create a regional economic development commission. A municipal or county economic development commission shall consist of from three to nine members, named for terms and compensation (if any) fixed by its respective governing body. The membership, compensation (if any), and terms of a regional economic development commission, and the formula for its financial support, shall be fixed by the joint resolution creating the commission. Additional governmental units may join a regional commission with the consent of all existing members. Any governmental unit may withdraw from a regional commission on two years' notice to the other members. The resolution creating a municipal, county, or regional economic development commission may be modified, amended, or repealed in the same manner as it was originally adopted. (1961, c. 722, s. 2.)

Local Modification. — Cherokee, Graham, Jackson and Swain: 1973, c. 1406.

§ 158-9. Organization of commission; rules and regulations; committees; meetings. — Upon its appointment, the economic development commission shall promptly meet and elect from among its members a chairman and such other officers as it may choose, for such terms as it shall prescribe in its rules and regulations. The commission shall adopt such rules and regulations not inconsistent herewith as it may deem necessary for the proper discharge of its duties. The chairman may appoint such committees as the work of the commission may require. The commission shall meet regularly, at least once every three months, at places and dates specified in the rules. Special meetings may be called as specified in the rules. (1961, c. 722, s. 2.)

§ 158-10. Staff and personnel; contracts for services. — Within the limits of appropriated funds, the commission may hire and fix the compensation of any personnel necessary to its operations, contract with consultants for such services as it may require, and contract with the State of North Carolina or the federal government, or any agency or department thereof, for such services as may be provided by such agencies; and it is hereby empowered to carry out the provisions of such contracts as it may enter. (1961, c. 722, s. 2.)

§ 158-11. Office and equipment. — Within the limits of appropriated funds, the commission may lease, rent, or purchase, or otherwise obtain suitable

quarters and office space for its staff, and may lease, rent, or purchase necessary furniture, fixtures, and other equipment. (1961, c. 722, s. 2.)

§ 158-12. Fiscal affairs generally; appropriations. — The commission may accept, receive, and disburse in furtherance of its functions any funds, grants, and services made available by the federal government and its agencies, the State government and its agencies, any municipalities or counties, and by private and civic sources.

Each municipality or county shall have authority to appropriate funds to any local or regional economic development commission which it may have created. These appropriations may be funded by levy of property taxes pursuant to G.S. 153A-149 and G.S. 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law. (1961, c. 722, s. 2; 1973, c. 803, s. 44; c. 1446, s. 26.)

§ 158-13. Powers and duties. — Any economic development commission created pursuant to this Article shall:

(1) Receive from any municipal, county, joint, or regional planning board or commission with jurisdiction within its area an economic development program for part or all of the area;

(2) Formulate projects for carrying out such economic development program, through attraction of new industries, encouragement of existing industries, encouragement of agricultural development, encouragement of new business and industrial ventures by local as well as foreign capital, and other activities of a similar nature;

(3) Conduct industrial surveys as needed, advertise in periodicals or other communications media, furnish advice and assistance to business and industrial prospects which may locate in its area, furnish advice and assistance to existing businesses and industries, furnish advice and assistance to persons seeking to establish new businesses or industries, and engage in related activities;

(4) Encourage the formation of private business development corporations or associations which may carry out such projects as securing and preparing sites for industrial development, constructing industrial buildings, or rendering financial or managerial assistance to businesses and industries; furnish advice and assistance to such corporations or associations;

(5) Carry on such other activities as may be necessary in the proper exercise of the functions described herein. (1961, c. 722, s. 2.)

§ 158-14. Regional planning and economic development commissions authorized. — Any municipalities and/or counties desiring to exercise the powers granted by this Article may, at their option, create a regional planning and economic development commission, which shall have and exercise all of the powers and duties granted to a regional economic development commission under this Article and in addition the powers and duties granted to a regional planning commission under Article 23 of Chapter 153. In the event that such a combined commission is created, it shall keep separate books of accounts for appropriations and expenditures made pursuant to this Article and for appropriations and expenditures made pursuant to Article 23 of Chapter 153. The financial limitations set forth in each such Article shall govern expenditures made pursuant to such Article. (1961, c. 722, s. 2; 1965, c. 431, s. 2.)

Editor's Note. — Article 23 of Chapter 153 cited in the first and second sentences of this section was repealed by Session Laws 1973, c. 822. See now Article 19 of Chapter 153A.

§ 158-15. Powers granted herein supplementary. — The powers granted to counties and municipalities by this Article shall be deemed supplementary to any powers heretofore or hereafter granted by any general or local act for the same or similar purposes, and in any case where the provisions of this Article conflict with or are different from the provisions of any other act, the board of county commissioners or the municipal governing board may in its discretion proceed in accordance with the provisions of this Article or, as an alternative method, in accordance with the provisions of such other act. (1961, c. 722, s. 2.)

ARTICLE 3.

Tax Elections for Industrial Development Purposes.

§ 158-16. Board of commissioners may call tax election; rate and purposes of tax. — The board of county commissioners in any county is authorized and empowered to call a special election to determine whether it be the will of the qualified voters of said county that they levy and cause to be collected annually, at the same time and in the same manner as the general county taxes are levied and collected, a special tax at a rate not to exceed five cents (5¢) on each one hundred dollars ($100.00) valuation of property in said county, to be known as an "industrial development tax," the funds therefrom, if the levy be authorized by the voters of said county, to be used for the purpose of attracting new and diversified industries to said county, and for the encouragement of new business and industrial ventures by local as well as foreign capital, and for the purpose of aiding and encouraging the location of manufacturing enterprises, making industrial surveys and locating industrial plants in said county, and for the purpose of encouraging agricultural development in said county. (1959, c. 212, s. 1.)

Local Modification. — Mitchell: 1963, c. 157.

§ 158-17. Registration of voters; election under supervision of county board of elections. — There shall be no new registration of voters for such an election. The registration books shall be open for registration of new voters in said county and registration of any and all legal residents of said county, who are or could legally be enfranchised as qualified voters for regular general elections, shall be carried out in accordance with the general election laws of the State of North Carolina as provided for local elections. Notice of such registration of new voters shall be published in a newspaper circulated in said county, once, not less than 30 days before and not more than 40 days before, the close of the registration books, stating the hours and days for registration. The special election, if called, shall be under the control and supervision of the county board of elections. (1959, c. 212, s. 1.)

§ 158-18. Form of ballot; when ballots supplied; designation of ballot box. — The form of the question shall be substantially the words "For Industrial Development Tax," and "Against Industrial Development Tax," which alternates shall appear separated from each other on one ballot containing opposite, and to the left of each alternate, squares of appropriate size in one of which squares the voters may make a mark "X" to designate the voter's choice for or against such tax. Such ballot shall be printed on white paper and each polling place shall be supplied with a sufficient number of ballots not later than the day before the election. At such special election the election board shall cause to be placed at each voting precinct in said county a ballot box marked "Industrial Development Tax Election." (1959, c. 212, s. 1.)

§ 158-19. Counting of ballots; canvassing, certifying and announcing results of elections. — The duly appointed judges and other election officials who are named and fixed by the county board of elections shall count the ballots so cast in such election and the results of the election shall be officially canvassed, certified and announced by the proper officials of the board of elections, according to the manner of canvassing, certifying and announcing the elections held under the general election laws of the State. Except as herein otherwise provided, the registration and election herein provided for shall be conducted in accordance with the general election laws of the State as provided for local elections. (1959, c. 212, s. 1.)

§ 158-20. Authorized tax rate. — If a majority of those voting in such election favor the levying of such a tax, the board of commissioners of said county are authorized to levy a special tax at a rate not to exceed five cents (5¢) on each one hundred dollars ($100.00) of assessed value of real and personal property taxable in said county, and the General Assembly does hereby give its special approval for the levy of such special tax. (1959, c. 212, s. 1.)

Local Modification. — Harnett: 1961, c. 560; Mitchell: 1963, cc. 157, 506; Person: 1961, c. 701; Tyrrell: 1961, c. 228.

§ 158-21. Creation of industrial development commission; membership and terms of office; vacancies; meetings; selection of officers; bylaws and procedural rules and policies; authority of treasurer and required bond; subsidy or investment in business or industry forbidden. — If the majority of the qualified voters voting in such election favor the levying of such a tax, then and in that event, the county commissioners may create a commission to be known as the "Industrial Development Commission" for said county. Such commission shall be composed of nine members. The terms of office of the members of the commission shall be three years, with the exception of the first two years' existence of the commission, in which three shall be appointed to serve for a period of one year, three for a period of two years, and three for a period of three years; thereafter, all members shall be appointed for three years, and shall serve until their successors have been appointed and qualified. All appointments for unexpired terms resulting from resignation, death or other causes, shall be made by the county board of commissioners. The commission shall hold its first meeting within 30 days after its appointment as provided for in this Article, and the beginning date of all terms of office of the commissioners shall be the date on which the commission holds its first meeting. After the members of the commission shall have been appointed and at the time of the holding of the first meeting, they shall, by a majority vote, name and select from their membership their own chairman, vice-chairman, secretary and treasurer, and shall draw up and ratify their own bylaws and procedural rules and policies. The commission member who shall be named treasurer shall have supervision of all funds administered by the commission in any way whatsoever; shall sign and countersign all checks, drafts, bills of exchange, or any and all other negotiable instruments which shall properly be issued under his supervision; and shall furnish such surety bond as shall be designated by the board of county commissioners. No money, property or funds of the commission herein created shall be used directly or indirectly as a subsidy or investment in capital assets in any business, industry or business venture. (1959, c. 212, s. 1.)

§ 158-22. Bureau set up under supervision and control of industrial development commission; furnishing county commissioners with proposed budget. — Under the supervision and jurisdiction of the industrial development commission for said county there shall be set up a bureau, the purpose of which

shall be as set forth in G.S. 158-16. The commission shall have charge of the activities of this bureau, full supervision of its operations, and full responsibility for its actions. The commission shall employ personnel for the bureau, supervise its purchases and expense accounts, and administer all the tax funds which shall be turned over to the commission by county authorities from the industrial development tax and any and all other funds which may come into its hands. The commission shall be empowered to lease, rent or purchase, or otherwise obtain suitable quarters and office space for an industrial development bureau, to lease, rent, or purchase necessary furniture, fixtures, and other equipment, to purchase advertising space in periodicals which may be selected for that purpose, and to otherwise engage in any and all activities which shall, in its discretion, promote the business and industrial development and general economic welfare of said county; and it shall have full power to exercise any and all other proper authority in connection with its duties and not expressly mentioned herein. Provided, that said commission shall provide the board of county commissioners 30 days prior to July 1 a proposed budget for the fiscal year commencing on July 1 and shall provide the board of county commissioners an audit by a certified public accountant within 60 days after the expiration of the fiscal year ending on June 30. (1959, c. 212, s. 1.)

§ 158-23. Board of county commissioners may function and carry out duties of industrial development commission. — Nothing herein shall prevent the board of county commissioners itself from functioning and carrying out the duties of the industrial development commission as provided for herein. (1959, c. 212, s. 1.)

§ 158-24. Counties to which Article applies. — The provisions of this Article shall apply only to the following counties: Alexander, Burke, Caswell, Chowan, Edgecombe, Franklin, Harnett, Haywood, Hertford, Mitchell, Northampton, Onslow, Pasquotank, Perquimans, Person, Polk, Rockingham, Rutherford, Tyrrell, Vance and Warren. (1959, c. 212, s. 2; 1961, cc. 208, 228, 339, 560, 683, 701, 1011, 1058; 1963, c. 157, s. 2; cc. 443, 504, 506, 613, 1101; 1965, cc. 189, 523, 622.)

Chapter 159.

Local Government Finance.

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Article 9.

Bond Anticipation, Tax, Revenue and Grant Anticipation Notes.

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Editor's Note. — The cases cited in the annotations to this Chapter were decided under former similar statutory provisions before the enactment of this Chapter.

SUBCHAPTER I. SHORT TITLE AND DEFINITIONS.

ARTICLE 1.

Short Title and Definitions.

§ 159-1. Short title and definitions. — (a) This Chapter may be cited as "The Local Government Finance Act."

(b) The words and phrases defined in this section have the meanings indicated when used in this Chapter, unless the context clearly requires another meaning, or unless the word or phrase is given a more restrictive meaning by definition in another Article herein.

(1) "Chairman" means the Chairman of the Local Government Commission.
(2) "City" includes towns and incorporated villages.
(3) "Clerk" means an officer or employee of a local government or public authority charged by law or direction of the governing board with the duty of keeping the minutes of board meetings and conserving records evidencing official actions of the board.
(4) "Commission" means the Local Government Commission.
(5) "Publish," "publication," and other forms of the word "publish" mean insertion in a newspaper qualified under G.S. 1-597 to publish legal advertisements.
(6) "Secretary" means the secretary of the Local Government Commission.

(c) Words in the singular number include the plural, and in the plural include the singular. Words of the masculine gender include the feminine and the neuter, and when the sense so indicates, words of the neuter gender may refer to any gender. (1927, c. 81, s. 2; 1931, c. 60, s. 2; 1971, c. 780, s. 1.)

§ 159-2. Computation of time. — (a) Nothwithstanding any other provisions of law, whenever in this Chapter an act is to be done within a given period of time, the period of time shall be computed according to the rules set out in this section.

(b) When an act is to be done within a given number of days before or after a given day, the period is computed by counting forward beginning with the day following the given day, or counting backward beginning with the day next before the given day. Saturdays, Sundays, and holidays are counted as any other day.

(c) The word "month" means 30 days, unless the words "calendar month" are used, in which case the number of days in the month may vary according to the calendar.

(d) The word "year" means the calendar year.

(e) The word "day," when used to denote a period of time within which an act may be done, means a period of 24 hours beginning at 12:00 midnight.

(f) When a time of day is given, the time is local time in the City of Raleigh, North Carolina. (1971, c. 780, s. 1.)

SUBCHAPTER II. LOCAL GOVERNMENT COMMISSION.

ARTICLE 2.

Local Government Commission.

§ 159-3. Local Government Commission established. — (a) The Local Government Commission consists of nine members. The State Treasurer, the State Auditor, the Secretary of State, and the Secretary of Revenue each serve ex officio; the remaining five members are appointed to four-year terms as follows: three by the Governor, one by the Lieutenant Governor, and one by the Speaker of the House. Of the three members appointed by the Governor, one shall be or have been the mayor or a member of the governing board of a city and one shall be or have been a member of a county board of commissioners. The State Treasurer is chairman ex officio of the Local Government Commission. Membership on the Commission is an office that may be held concurrently with one other office, as permitted by G.S. 128-1.1.

(b) The Commission shall meet at least quarterly in the City of Raleigh, and may hold special meetings at any time or place upon notice to each member given in person or by mail not later than the fifth day before the meeting. The notice need not state the purpose of the meeting.

Action of the Commission shall be taken by resolution adopted by majority vote of those present and voting. A majority of the Commission constitutes a quorum.

(c) The appointed members of the Commission are entitled to the per diem compensation and allowances prescribed by G.S. 138-5. All members are entitled to reimbursement for necessary travel and other expenses.

(d) The Commission may call upon the Attorney General for legal advice in relation to its powers and duties.

(e) The Local Government Commission shall operate as a division of the Department of the State Treasurer.

(f) The Commission may adopt rules and regulations to carry out its powers and duties. (1931, c. 60, s. 7; c. 296, s. 8; 1933, c. 31, s. 1; 1957, c. 541, s. 18; 1963, c. 1130; 1969, c. 445, s. 1; 1971, c. 780, s. 1; 1973, c. 474, s. 2; c. 476, s. 193.)

State Government Reorganization. — The Local Government Commission was transferred to the Department of State Treasurer by § 143A-33, enacted by Session Laws 1971, c. 864.

§ 159-4. Executive committee; appeal. — (a) The State Auditor, the State Treasurer, the Secretary of State, and the Secretary of Revenue shall constitute the executive committee of the Local Government Commission. The executive committee is vested with all the powers of the Commission when it is not in session, except that the executive committee may not overrule, reverse, or disregard any action of the full Commission. Action of the executive committee shall be taken by resolution adopted by a majority of those present and voting. Any three members of the executive committee constitute a quorum. The chairman may call meetings of the executive committee at any time.

(b) Any member of the Commission or any person affected by an action of the executive committee may appeal to the full Commission by filing a request for review with the chairman within five days after the action is taken. Review of executive committee action by the full Commission shall be de novo. (1931, c. 60, ss. 8, 10; 1933, c. 31, s. 2; 1953, c. 675, s. 27; 1971, c. 780, s. 1; 1973, c. 476, s. 193.)

§ 159-5. Secretary and staff of the Commission. — The chairman shall appoint a secretary of the Commission, and may appoint such other deputies and assistants as may be necessary, who shall be responsible to the chairman through the secretary. The salary of the secretary shall be fixed by the Governor with the approval of the Advisory Budget Commission. The secretary and his deputies and assistants shall have and may exercise any power that the chairman himself may exercise. All actions taken by the secretary, including the signing of any documents and papers provided for in this Chapter, shall be effective as though the chairman himself had taken such action or signed such documents or papers. (1931, c. 60, s. 7; c. 296, s. 8; 1933, c. 31, s. 1; 1957, c. 541, s. 18; 1963, c. 1130; 1969, c. 445, s. 1; 1971, c. 780, s. 1.)

§ 159-6: Reserved for future codification purposes.

SUBCHAPTER III. BUDGETS AND FISCAL CONTROL.

ARTICLE 3.

The Local Government Budget and Fiscal Control Act.

Part 1. Budgets.

§ 159-7. Short title; definitions; local acts superseded. — (a) This Article may be cited as "The Local Government Budget and Fiscal Control Act."

(b) The words and phrases defined in this section have the meanings indicated when used in this Article, unless the context clearly requires another meaning.

(1) "Budget" is a proposed plan for raising and spending money for specified programs, functions, activities or objectives during a fiscal year.

(2) "Budget ordinance" is the ordinance that levies taxes and appropriates revenues for specified purposes, functions, activities, or objectives during a fiscal year.

(3) "Budget year" is the fiscal year for which a budget is proposed or a budget ordinance is adopted.

(4) "Debt service" is the sum of money required to pay installments of principal and interest on bonds, notes, and other evidences of debt accruing within a fiscal year, and to maintain sinking funds.

(5), (6) Repealed by Session Laws 1975, c. 514, s. 2.

(7) "Fiscal year" is the annual period for the compilation of fiscal operations, as prescribed in G.S. 159-8(b).

(8) "Fund" is an independent fiscal and accounting entity consisting of cash and other resources together with all related liabilities, obligations,

reserves, and equities which are segregated by appropriate accounting techniques for the purpose of carrying on specific activities or attaining certain objectives in accordance with established legal regulations, restrictions, or limitations.

(9) Repealed by Session Laws 1975, c. 514, s. 2.

(10) "Public authority" is a municipal corporation (other than a unit of local government) that is not subject to the Executive Budget Act (G.S. 143-1 through 143-34.4) or a local governmental authority, board, commission, council, or agency that (i) is not a municipal corporation, (ii) is not subject to the Executive Budget Act, and (iii) operates on an area, regional, or multi-unit basis, and the budgeting and accounting systems of which are not fully a part of the budgeting and accounting systems of a unit of local government.

(11) Repealed by Session Laws 1975, c. 514, s. 2.

(12) "Sinking fund" means a fund held for the retirement of term bonds.

(13) "Special district" is a unit of local government (other than a county, city, town, or incorpated village) that is created for the performance of limited governmental functions or for the operation of particular utility or public service enterprises.

(14) "Taxes" do not include special assessments.

(15) "Unit," "unit of local government," or "local government" is a municipal corporation that is not subject to the Executive Budget Act (G.S. 143-1 through 143-34.4) and that has the power to levy taxes, and all boards, agencies, commissions, authorities, and institutions thereof that are not municipal corporations.

(c) It is the intent of the General Assembly by enactment of this Article to prescribe for local governments and public authorities a uniform system of budget adoption and administration and fiscal control. To this end and except as otherwise provided in this Article, all provisions of general laws, city charters, and local acts in effect as of July 1, 1973 and in conflict with the provisions of Part 1 or Part 3 of this Article are repealed. No general law, city charter, or local act enacted or taking effect after July 1, 1973, may be construed to modify, amend, or repeal any portion of Part 1 or Part 3 of this Article unless it expressly so provides by specific reference to the appropriate section.

(d) Except as expressly provided herein, this Article does not apply to school administrative units. The adoption and administration of budgets for the public school system and the management of the fiscal affairs of school administrative units are governed by the School Budget and Fiscal Control Act, Chapter 115, Article 9. However, this Article and the School Budget and Fiscal Control Act shall be construed together to the end that the administration of the fiscal affairs of counties and school administrative units may be most effectively and efficiently administered. (1927, c. 146, ss. 1, 2; 1955, c. 724; 1971, c. 780, s. 1; 1973, c. 474, ss. 3, 4; 1975, c. 437, s. 12; c. 514, s. 2.)

Editor's Note. — The first 1975 amendment repealed definitions in subsection (b) of "deferred revenues," "encumbrances," "fund balance," and "reserve."

The second 1975 amendment added subsection (d).

Session Laws 1975, c. 437, s. 18(a) contains a severability clause, and s. 18(b) provides that the act shall apply to pending litigation where such application is feasible and would not work an injustice.

A Single-County Mental Health Program Is a Public Authority. — See opinion of Attorney General to Mr. Harlan E. Boyles, Local Government Commission, 44 N.C.A.G. 185 (1974).

§ 159-8. Annual balanced budget ordinance. — (a) Each local government and public authority shall operate under an annual balanced budget ordinance adopted and administered in accordance with this Article. A budget ordinance is balanced when the sum of estimated net revenues and appropriated fund

balances is equal to appropriations. Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues, as those figures stand at the close of the fiscal year next preceding the budget year. It is the intent of this Article that, except for moneys expended pursuant to a project ordinance or accounted for in an intragovernmental service fund or a trust and agency fund excluded from the budget ordinance under G.S. 159-13(a), all moneys received and expended by a local government or public authority should be included in the budget ordinance. Therefore, notwithstanding any other provision of law, no local government or public authority may expend any moneys, regardless of their source (including moneys derived from bond proceeds, federal, state, or private grants or loans, or special assessments), except in accordance with a budget ordinance or project ordinance adopted under this Article or through an intragovernmental service fund or trust and agency fund properly excluded from the budget ordinance.

(b) The budget ordinance of a unit of local government shall cover a fiscal year beginning July 1 and ending June 30. The budget ordinance of a public authority shall cover a fiscal year beginning July 1 and ending June 30, except that the Local Government Commission, if it determines that a different fiscal year would facilitate the authority's financial operations, may enter an order permitting an authority to operate under a fiscal year other than from July 1 to June 30. If the Commission does permit an authority to operate under an altered fiscal year, the Commission's order shall also modify the budget calendar set forth in G.S. 159-10 through G.S. 159-13 so as to correspond with the altered fiscal year. (1971, c. 780, s. 1; 1973, c. 474, s. 5; 1975, c. 514, s. 3.)

Editor's Note. — The 1975 amendment rewrote subsection (a).

§ 159-9. Budget officer. — Each local government and public authority shall appoint a budget officer to serve at the will of the governing board. In counties or cities having the manager form of government, the county or city manager shall be the budget officer. Counties not having the manager form of government may impose the duties of budget officer upon the county finance officer or any other county officer or employee except the sheriff, or in counties having a population of more than 7,500, the register of deeds. Cities not having the manager form of government may impose the duties of budget officer on any city officer or employee, including the mayor if he agrees to undertake them. A public authority or special district may impose the duties of budget officer on the chairman or any member of its governing board or any other officer or employee. (1971, c. 780, s. 1; 1973, c. 474, s. 6.)

§ 159-10. Budget requests. — Before April 30 of each fiscal year (or an earlier date fixed by the budget officer), each department head shall transmit to the budget officer the budget requests and revenue estimates for his department for the budget year. The budget request shall be an estimate of the financial requirements of the department for the budget year, and shall be made in such form and detail, with such supporting information and justifications, as the budget officer may prescribe. The revenue estimate shall be an estimate of all revenues to be realized by department operations during the budget year. At the same time, the finance officer or department heads shall transmit to the budget officer a complete statement of the amount expended for each category of expenditure in the budget ordinance of the immediately preceding fiscal year, a complete statement of the amount estimated to be expended for each category of expenditure in the current year's budget ordinance by the end of the current fiscal year, the amount realized from each source of revenue during the

immediately preceding fiscal year, and the amount estimated to be realized from each source of revenue by the end of the current fiscal year, and such other information and data on the fiscal operations of the local government or public authority as the budget officer may request. (1927, c. 146, s. 5; 1955, cc. 698, 724; 1971, c. 780, s. 1.)

§ 159-11. Preparation and submission of budget and budget message. — (a) Upon receipt of the budget requests and revenue estimates and the financial information supplied by the finance officer and department heads, the budget officer shall prepare a budget for consideration by the governing board in such form and detail as may have been prescribed by the budget officer or the governing board. The budget shall comply in all respects with the limitations imposed by G.S. 159-13(b), and unless the governing board shall have authorized or requested submission of an unbalanced budget as provided in subsection (c) of this section, the budget shall be balanced.

(b) The budget, together with a budget message, shall be submitted to the governing board not later than June 1. The budget and budget message should, but need not, be submitted at a formal meeting of the board. The budget message should contain a concise explanation of the governmental goals fixed by the budget for the budget year, should explain important features of the activities anticipated in the budget, should set forth the reasons for stated changes from the previous year in program goals, programs, and appropriation levels, and should explain any major changes in fiscal policy.

(c) The governing board may authorize or request the budget officer to submit a budget containing recommended appropriations in excess of estimated revenues. If this is done, the budget officer shall present the appropriations recommendations in a manner that will reveal for the governing board the nature of the activities supported by the expenditures that exceed estimated revenues.

(d) The budget officer shall include in the budget a proposed financial plan for each intragovernmental service fund, as required by G.S. 159-13.1, and information concerning capital projects authorized or to be authorized by project ordinances, as required by G.S. 159-13.2. (1927, c. 146, s. 6; 1955, cc. 698, 724; 1969, c. 976, s. 1; 1971, c. 780, s. 1; 1975, c. 514, s. 4.)

Editor's Note. — The 1975 amendment added subsection (d).

§ 159-12. Filing and publication of the budget; budget hearings. — (a) On the same day that he submits the budget to the governing board, the budget officer shall file a copy of it in the office of the clerk to the board where it shall remain available for public inspection until the budget ordinance is adopted. The clerk shall make a copy of the budget available to all news media in the county. He shall also publish a statement that the budget has been submitted to the governing board, and is available for public inspection in the office of the clerk to the board. The statement shall also give notice of the time and place of the budget hearing required by subsection (b) of this section.

(b) Before adopting the budget ordinance, the board shall hold a public hearing at which time any persons who wish to be heard on the budget may appear. (1927, c. 146, s. 7; 1955, cc. 698, 724; 1971, c. 780, s. 1.)

§ 159-13. The budget ordinance; form, adoption, limitations, tax levy, filing. — (a) Not earlier than 10 days after the day the budget is presented to the board and not later than July 1, the governing board shall adopt a budget ordinance making appropriations and levying taxes for the budget year in such sums as the board may consider sufficient and proper, whether greater or less than the sums recommended in the budget. The budget ordinance shall authorize

all financial transactions of the local government or public authority except

(1) Those authorized by a project ordinance,

(2) Those accounted for in an intragovernmental service fund for which a financial plan is prepared and approved, and

(3) Those accounted for in a trust or agency fund established to account for moneys held by the local government or public authority as an agent or common-law trustee or to account for a retirement, pension, or similar employee benefit system.

The budget ordinance may be in any form that the board considers most efficient in enabling it to make the fiscal policy decisions embodied therein, but it shall make appropriations by department, function, or project and show revenues by major source.

(b) The following directions and limitations shall bind the governing board in adopting the budget ordinance:

(1) The full amount estimated by the finance officer to be required for debt service during the budget year shall be appropriated.

(2) The full amount of any deficit in each fund shall be appropriated.

(3) A contingency appropriation shall not exceed five percent (5%) of the total of all other appropriations in the same fund, except there is no limit on contingency appropriations for public assistance programs required by Chapter 108. Each expenditure to be charged against a contingency appropriation shall be authorized by resolution of the governing board, which resolution shall be deemed an amendment to the budget ordinance setting up an appropriation for the object of expenditure authorized. The governing board may authorize the budget officer to authorize expenditures from contingency appropriations subject to such limitations and procedures as it may prescribe. Any such expenditures shall be reported to the board at its next regular meeting and recorded in the minutes.

(4) No appropriation may be made that would require the levy of a tax in excess of any constitutional or statutory limitation, or expenditures of revenues for purposes not permitted by law.

(5) The total of all appropriations for purposes which require voter approval for expenditure of property tax funds under Article V, Sec. 2(5), of the Constitution shall not exceed the total of all estimated revenues other than the property tax (not including such revenues required by law to be spent for specific purposes) and property taxes levied for such purposes pursuant to a vote of the people.

(6) The estimated percentage of collection of property taxes shall not be greater than the percentage of the levy actually realized in cash as of June 30 during the preceding fiscal year.

(7) Amounts to be realized from collection of taxes levied in prior fiscal years shall be included in estimated revenues.

(8) Repealed by Session Laws 1975, c. 514, s. 6.

(9) Appropriations made to a school administrative unit by a county may not be reduced after the budget ordinance is adopted, unless the board of education of the administrative unit agrees by resolution to a reduction, or unless a general reduction in county expenditures is required because of prevailing economic conditions.

(10) Appropriations made to another fund from a fund established to account for property taxes levied pursuant to a vote of the people may not exceed the amount of revenues other than the property tax available to the fund, except for appropriations from such a fund to an appropriate account in a capital reserve fund.

(11) Repealed by Session Laws 1975, c. 514, s. 6.

(12) No appropriation may be made from a public assistance fund or a

separate category of expenditure maintained in accordance with Chapter 108 to any other fund or category of expenditure, as the case may be, except in accordance with G.S. 108-57.

(13) No appropriation of the proceeds of a bond issue may be made from the capital project fund account established to account for the proceeds of the bond issue except (i) for the purpose for which the bonds were issued, (ii) to the appropriate debt service fund, or (iii) to an account within a capital reserve fund consistent with the purposes for which the bonds were issued. The total of other appropriations made to another fund from such a capital project fund account may not exceed the amount of revenues other than bond proceeds available to the account.

(14) No appropriation may be made from a utility or public service enterprise fund to any other fund than the appropriate debt service fund unless the total of all other appropriations in the fund equal or exceed the amount that will be required during the fiscal year, as shown by the budget ordinance, to meet operating expenses, capital outlay, and debt service on outstanding utility or enterprise bonds or notes.

(15) Sufficient funds to meet the amounts to be paid during the fiscal year under continuing contracts previously entered into shall be appropriated.

(16) The sum of estimated net revenues and appropriated fund balance in each fund shall be equal to appropriations in that fund. Appropriated fund balance in a fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues, as those figures stand at the close of the fiscal year next preceding the budget year.

(17) No appropriations may be made from a county reappraisal reserve fund except for the purposes for which the fund was established.

(18) No appropriation may be made from a service district fund to any other fund except (i) to the appropriate debt service fund or (ii) to an appropriate account in a capital reserve fund unless the district has been abolished.

Notwithstanding subdivisions (9), (10), (12), (14), (17), or (18) of this subsection, any fund may contain an appropriation to another fund to cover the cost of (i) levying and collecting the taxes and other revenues allocated to the fund, and (ii) building maintenance and other general overhead and administrative expenses properly allocable to functions or activities financed from the fund.

(c) The budget ordinance of a local government shall levy taxes on property at rates that will produce the revenue necessary to balance appropriations and revenues, after taking into account the estimated percentage of the levy that will not be collected during the fiscal year. The budget ordinance of a public authority shall be balanced so that appropriations do not exceed revenues.

(d) The budget ordinance shall be entered in the minutes of the governing board and within five days after adoption copies thereof shall be filed with the finance officer, the budget officer, and the clerk to the governing board. (1927, c. 146, s. 8; 1955, cc. 698, 724; 1969, c. 976, s. 2; 1971, c. 780, s. 1; 1973, c. 474, ss. 7-9; c. 489, s. 3; 1975, c. 437, ss. 13, 14; c. 514, ss. 5, 6.)

Editor's Note. — The first 1975 amendment rewrote the last paragraph of subsection (a).

The second 1975 amendment rewrote subdivision (9) of subsection (b) and eliminated a reference to subdivision (11) in the last paragraph of subsection (b).

Session Laws 1975, c. 437, s. 18(a) contains a severability clause, and s. 18(b) provides that the act shall apply to pending litigation where such application is feasible and would not work an injustice.

§ 159-13.1. Financial plan for intragovernmental service funds. — (a) If a local government or public authority establishes and operates one or more intragovernmental service funds, it need not include such a fund in its budget ordinance. However, at the same time it adopts the budget ordinance, the governing board shall approve a balanced financial plan for each intragovernmental service fund. A financial plan is balanced when estimated expenditures do not exceed estimated revenues.

(b) The budget officer shall include in the budget he submits to the board, pursuant to G.S. 159-11, a proposed financial plan for each intragovernmental service fund to be operated during the budget year by the local government or public authority. The proposed financial plan shall be in such form and detail as prescribed by the budget officer or governing board.

(c) The approved financial plan shall be entered in the minutes of the governing board, as shall each amendment to the plan approved by the board. Within five days after approval, copies of the plan and copies of each amendment thereto shall be filed with the finance officer, the budget officer, and the clerk to the governing board.

(d) Any change in a financial plan must be approved by the governing board. (1975, c. 514, s. 7.)

§ 159-13.2. Capital project ordinances. — (a) Capital Project Defined. — In this section "capital project" means a project financed in whole or in part by the proceeds of bonds or notes or a project involving the construction or acquisition of a capital asset.

(b) Alternative Budget Methods. — A local government or public authority may, in its discretion, authorize and budget for a capital project either in its annual budget ordinance or in a project ordinance adopted pursuant to this section. A project ordinance authorizes all appropriations necessary for the completion of the project and neither it nor any part of it need be readopted in any subsequent fiscal year. A bond order does not constitute a project ordinance.

(c) Adoption of Project Ordinances. — If a local government or public authority intends to authorize a capital project by a project ordinance, it shall not commence the project until it has adopted a balanced project ordinance. A project ordinance is balanced when revenues available for the project equal appropriations for the project. Such an ordinance shall identify and authorize the capital project to be undertaken, identify the revenues that will finance the project, and make the appropriations necessary for the project. The governing board may amend a project ordinance at any time subsequent to the ordinance's adoption, as long as it remains balanced.

(d) Ordinance Filed. — Each project ordinance shall be entered in the minutes of the governing board. Within five days after adoption, copies of the ordinance shall be filed with the finance officer, the budget officer, and the clerk to the governing board.

(e) Inclusion of Project Information in Budget. — Each year the budget officer shall include in the budget information in such detail as he or the governing board may require concerning capital projects (i) expected to be authorized by project ordinances during the budget year and (ii) authorized by previously adopted project ordinances, under which expenditures are expected to be made during the budget year. (1975, c. 514, s. 8.)

§ 159-14. Trust and agency funds; budgets of special districts. — (a) Budgets of Special Districts. — If the tax-levying power of a special district is by law exercised on its behalf by a county or city, and if the county or city governing board is vested by law with discretion as to what rate of tax it will levy on behalf of the special district, the governing board of the special district shall transmit to the governing board of the county or city on or before June 1 a request to levy taxes on its behalf for the budget year at a stated rate. The

county or city governing board shall then determine what rate of tax it will approve, and shall so notify the district governing board not later than June 15. Failure of the county or city governing board to act on the district's request on or before June 15 and to so notify the district governing board by that date shall be deemed approval of the full rate requested by the district governing board. Upon receiving notification from the county or city governing board as to what rate of tax will be approved or after June 15 if no such notification is received, the district governing board shall complete its budget deliberations and shall adopt its budget ordinance.

If the tax-levying power of a special district is by law exercised on its behalf by a county or city, and if the county or city governing board has no discretion as to what rate of tax it will levy on behalf of the special district, the governing board of the district shall notify the city or county by June 15 of the rate of tax it wishes to have levied. If the district does not notify the county or city governing board on or before June 15 of the rate of tax it wishes to have levied, the county or city is not required to levy a tax for the district for the fiscal year.

If the taxes of a special district are collected on its behalf by a county or city, and if the county or city governing board has no power to approve the district tax levy, the district governing board shall adopt its budget ordinance not later than July 1 and on or before July 15 shall notify the county or city collecting its taxes of the rate of tax it has levied. If the district does not notify the county or city governing board on or before July 15 of the rate of tax it has levied, the county or city is not required to collect the district's taxes for the fiscal year.

(b) Transfers from Certain Trust and Agency Funds. — Except for transfers to the appropriate special district or public authority, a unit of local government may not transfer moneys from a fund established to account for taxes collected on behalf of a special district or from a fund established to account for special assessments collected on behalf of a public authority unless the special district or public authority has ceased to function. (1971, c. 780, s. 1; 1973, c. 474, ss. 10, 11; 1975, c. 514, s. 9.)

Editor's Note. — The 1975 amendment designated the former provisions of this section as subsection (a) and added subsection (b).

§ 159-15. Amendments to the budget ordinance. — Except as otherwise restricted by law, the governing board may amend the budget ordinance at any time after the ordinance's adoption in any manner, so long as the ordinance, as amended, continues to satisfy the requirements of G.S. 159-8 and 159-13. However, no amendment may increase or reduce a property tax levy or in any manner alter a property taxpayer's liability, unless the board is ordered to do so by a court of competent jurisdiction, or by a State agency having the power to compel the levy of taxes by the board.

The governing board by appropriate resolution or ordinance may authorize the budget officer to transfer moneys from one appropriation to another within the same fund subject to such limitations and procedures as it may prescribe. Any such transfers shall be reported to the governing board at its next regular meeting and shall be entered in the minutes. (1927, c. 146, s. 13; 1955, cc. 698, 724; 1971, c. 780, s. 1; 1973, c. 474, s. 12.)

§ 159-16. Interim budget. — In case the adoption of the budget ordinance is delayed until after July 1, the governing board shall make interim appropriations for the purpose of paying salaries, debt service payments, and the usual ordinary expenses of the local government or public authority for the interval between the beginning of the budget year and the adoption of the budget ordinance. Interim appropriations so made shall be charged to the proper

appropriations in the budget ordinance. (1927, c. 146, s. 14; 1955, cc. 698, 724; 1971, c. 780, s. 1.)

§ 159-17. Ordinance procedures not applicable to budget adoption. — Notwithstanding the provisions of any city charter, general law, or local act:

(1) Any action with respect to the adoption or amendment of the budget ordinance may be taken at any regular or special meeting of the governing board by a simple majority of those present and voting, a quorum being present;

(2) No action taken with respect to the adoption or amendment of the budget ordinance need be published or is subject to any other procedural requirement governing the adoption of ordinances or resolutions by the governing board other than the procedures set out in this Article;

(3) The adoption and amendment of the budget ordinance and the levy of taxes in the budget ordinance are not subject to the provisions of any city charter or local act concerning initiative or referendum.

During the period beginning with the submission of the budget to the governing board and ending with the adoption of the budget ordinance, the governing board may hold any special meetings that may be necessary to complete its work on the budget ordinance. Any provisions of law concerning the call of special meetings do not apply during that period so long as (i) each member of the board has actual notice of each special meeting called for the purpose of considering the budget, and (ii) no business other than consideration of the budget is taken up. This section does not allow the holding of closed meetings or executive sessions by any governing board otherwise prohibited by law from holding such a meeting or session, and may not be construed to do so.

No general law, city charter, or local act enacted or taking effect after July 1, 1973, may be construed to modify, amend, or repeal any portion of this section unless it expressly so provides by specific reference to this section. (1971, c. 780, s. 1; 1973, c. 474, s. 13.)

Part 2. Capital Reserve Funds.

§ 159-18. Capital reserve funds. — Any local government or public authority may establish and maintain a capital reserve fund for any purposes for which it may issue bonds. A capital reserve fund shall be established by resolution or ordinance of the governing board which shall state (i) the purposes for which the fund is created, (ii) the approximate periods of time during which the moneys are to be accumulated for each purpose, (iii) the approximate amounts to be accumulated for each purpose, and (iv) the sources from which moneys for each purpose will be derived. (1943, c. 593, ss. 3, 5; 1957, c. 863, s. 1; 1967, c. 1189; 1971, c. 780, s. 1.)

Editor's Note. — For comment on former Article 10A of Chapter 153, corresponding to this Part, see 21 N.C.L. Rev. 357.

Constitutionality of Former Statute. — Former § 115-80.1, authorizing a county board of commissioners to levy an ad valorem tax for a county school capital reserve fund, to be used for the purpose of anticipating school capital outlays, was a valid exercise of legislative authority; the creation of such a fund is for a "necessary expense" within the meaning of N.C. Const., Art. V, § 4(2), and does not require a vote of the people. Yoder v. Board of Comm'rs, 7 N.C. App. 712, 173 S.E.2d 529 (1970).

Without the establishment of a capital reserve fund, the requirements of former Article 10A of Chapter 153, corresponding to this Part, never came into play. Davis v. Iredell County, 9 N.C. App. 381, 176 S.E.2d 361 (1970).

§ 159-19. Amendments. — The resolution or ordinance may be amended from time to time in the same manner in which it was adopted. Amendments may, among other provisions, authorize the use of moneys accumulated or to be

accumulated in the fund for capital outlay purposes not originally stated. (1943, c. 593, s. 7; 1967, c. 1189; 1971, c. 780, s. 1; 1973, c. 474, s. 14.)

§ 159-20. Funding capital reserve funds. — Capital reserve funds may be funded by appropriations from any other fund consistent with the limitations imposed in G.S. 159-13(b). When moneys or investment securities, the use of which is restricted by law, come into a capital reserve fund, the identity of such moneys or investment securities shall be maintained by appropriate accounting entries. (1943, c. 593, s. 4; 1945, c. 464, s. 2; 1957, c. 863, s. 1; 1967, c. 1189; 1971, c. 780, s. 1; 1973, c. 474, s. 15.)

§ 159-21. Investment. — The cash balances, in whole or in part, of capital reserve funds may be deposited at interest or invested as provided by G.S. 159-30. (1957, c. 863, s. 1; 1967, c. 1189; 1971, c. 780, s. 1.)

§ 159-22. Withdrawals. — Withdrawals from a capital reserve fund may be authorized by resolution or ordinance of the governing board of the local government or public authority. No withdrawal may be authorized for any purpose not specified in the resolution or ordinance establishing the fund or in a resolution or ordinance amending it. The withdrawal resolution or ordinance shall authorize an appropriation from the capital reserve fund to an appropriate appropriation in one of the funds maintained pursuant to G.S. 159-13(a). No withdrawal may be made which would result in an appropriation for purposes for which an adequate balance of eligible moneys or investment securities is not then available in the capital reserve fund. (1943, c. 593, ss. 11, 16; 1945, c. 464, s. 2; 1949, c. 196, s. 3; 1957, c. 863, s. 1; 1967, c. 1189; 1971, c. 780, s. 1; 1973, c. 474, s. 16.)

§ 159-23: Reserved for future codification purposes.

Part 3. Fiscal Control.

§ 159-24. Finance officer. — Each local government and public authority shall appoint a finance officer to hold office at the pleasure of the appointing board or official. The finance officer may be entitled "accountant," "treasurer," "finance director," "finance officer," or any other reasonably descriptive title. The duties of the finance officer may be imposed on the budget officer or any other officer or employee on whom the duties of budget officer may be imposed. (1971, c. 780, s. 1; 1973, c. 474, s. 17.)

§ 159-25. Duties of finance officer; dual signatures on checks; internal control procedures subject to Commission regulation. — (a) The finance officer shall have the following powers and duties:

(1) He shall keep the accounts of the local government or public authority in accordance with generally accepted principles of governmental accounting and the rules and regulations of the Commission.

(2) He shall disburse all funds of the local government or public authority in strict compliance with this Chapter, the budget ordinance, and each project ordinance and shall preaudit obligations and disbursements as required by this Chapter.

(3) As often as may be requested by the governing board or the manager, he shall prepare and file with the board a statement of the financial condition of the local government or public authority.

(4) He shall receive and deposit all moneys accruing to the local government or public authority, or supervise the receipt and deposit of money by other duly authorized officers or employees.

(5) He shall maintain all records concerning the bonded debt of the local government or public authority, determine the amount of money that

will be required for debt service during each fiscal year, and maintain all sinking funds.

(6) He shall supervise the investment of idle funds of the local government or public authority.

(7) He shall perform such other duties as may be assigned to him by law, by the manager, budget officer, or governing board, or by rules and regulations of the Commission.

All references in other portions of the General Statutes, local acts, or city charters to county, city, special district, or public authority accountants, treasurers, or other officials performing any of the duties conferred by this section on the finance officer shall be deemed to refer to the finance officer.

(b) Except as otherwise provided by law, all checks or drafts on an official depository shall be signed by the finance officer or a properly designated deputy finance officer and countersigned by another official of the local government or public authority designated for this purpose by the governing board. If the board makes no other designation, the chairman of the board or chief executive officer of the local government or public authority shall countersign these checks and drafts. The governing board of a unit or authority may waive the requirements of this subsection if the board determines that the internal control procedures of the unit or authority will be satisfactory in the absence of dual signatures.

(c) The Local Government Commission has authority to issue rules and regulations having the force of law governing procedures for the receipt, deposit, investment, transfer, and disbursement of money and other assets by units of local government and public authorities, may inquire into and investigate the internal control procedures of a local government or public authority, and may require any modifications in internal control procedures which, in the opinion of the Commission, are necessary or desirable to prevent embezzlements or mishandling of public moneys. (1971, c. 780, s. 1; 1973, c. 474, ss. 18-20; 1975, c. 514, s. 10.)

Editor's Note. — The 1975 amendment rewrote subdivision (2) of subsection (a) and inserted "or a properly designated deputy finance officer" in the first sentence of subsection (b).

Detailed Accounts to Be Kept. — Under the provisions of the former County Fiscal Control Act it was the duty of a county accountant to keep detailed accounts of appropriations and disbursements of county funds and to certify on each warrant or order drawn against the county that provision had been made for its payment and appropriation duly made or a bond or note duly authorized as required by the act. Avery County v. Braswell, 215 N.C. 270, 1 S.E.2d 864 (1939), followed in 215 N.C. 279, 1 S.E.2d 870 (1939).

Certification of Vouchers. — The duties of a county accountant in certifying county vouchers under the former County Fiscal Control Act were special in character and were in addition to and not in substitution for the duties and functions of other county officers, and even if it were conceded that the signing of the voucher by the chairman of the county board was malfeasance, the accountant and his surety could not avoid liability on the ground that some other officer was guilty of negligence or malfeasance. Avery County v. Braswell, 215 N.C. 270, 1 S.E.2d 864 (1939), followed in 215 N.C. 279, 1 S.E.2d 870 (1939).

§ 159-26. Accounting system. — (a) System Required. — Each local government or public authority shall establish and maintain an accounting system designed to show in detail its assets, liabilities, equities, revenues, and expenditures. The system shall also be designed to show appropriations and estimated revenues as established in the budget ordinance and each project ordinance as originally adopted and subsequently amended.

(b) Funds Required. — Each local government or public authority shall establish and maintain in its accounting system such of the following funds and ledgers as are applicable to it. The generic meaning of each type of fund or

ledger listed below is that fixed by generally accepted accounting principles.

(1) General fund.

(2) Special Revenue Funds. — Such funds shall be established for each function or activity financed in whole or in part by property taxes voted by the people, and for each service district established pursuant to the Municipal or County Service District Acts.

(3) Debt service funds.

(4) A Fund for Each Utility or Enterprise Owned or Operated by the Unit or Public Authority. — If a water system and a sanitary sewerage system are operated as a consolidated system, one fund may be established and maintained for the consolidated system.

(5) Intragovernmental service funds.

(6) Capital Project Funds. — Such a fund shall be established to account for the proceeds of each bond order and for all other resources used for the capital projects financed by the bond proceeds. A unit or public authority may account for two or more bond orders in one capital projects fund, but the proceeds of each such bond order and the other revenues associated with that bond order shall be separately accounted for in the fund.

(7) Trust and agency funds, including a fund for each special district, public authority, or school administrative unit whose taxes or special assessments are collected by the unit.

(8) A ledger or group of accounts in which to record the details relating to the general fixed assets of the unit or public authority.

(9) A ledger or group of accounts in which to record the details relating to the general obligation bonds and notes and other long-term obligations of the unit.

In addition, each unit or public authority may establish and maintain any other funds it considers advisable and shall establish and maintain any other funds required by other statutes or by State or federal regulations.

(c) Basis of Accounting. — Except as otherwise provided by regulation of the Commission, local governments and public authorities shall use the modified accrual basis of accounting in recording transactions.

(d) Encumbrance Systems. — Except as otherwise provided in this subsection, no local government or public authority is required to record or show encumbrances in its accounting system. Each city or town with a population over 10,000 and each county with a population over 50,000 shall maintain an accounting system that records and shows the encumbrances outstanding against each category of expenditure appropriated in its budget ordinance. Any other local government or any public authority may record and show encumbrances in its accounting system. In determining a unit's population, the most recent federal decennial census shall be used.

(e) Commission Regulations. — The Commission may prescribe rules and regulations having the force of law as to:

(1) Features of accounting systems to be maintained by local governments and public authorities.

(2) Bases of accounting, including identifying in detail the characteristics of a modified accrual basis, identifying what revenues are susceptible to accrual, and permitting or requiring use of a basis other than modified accrual in a fund that does not account for the receipt of a tax.

(3) Definitions of terms not clearly defined in this Article.

The Commission may vary these rules and regulations according to the size of the local government or public authority, or according to any other criteria reasonably related to the purpose or complexity of the financial operations involved. (1971, c. 780, s. 1; 1975, c. 514, ss. 11, 16.)

Editor's Note. — The 1975 amendment rewrote this section.

§ 159-27. Distribution of tax collections among funds according to levy. — (a) The finance officer shall distribute property tax collections among the appropriate funds, according to the budget ordinance, at least monthly.

(b) Taxes collected during the current fiscal year, that were levied in any one of the two immediately preceding fiscal years, shall be distributed to the appropriate funds according to the levy of the fiscal year in which they were levied. If any fund for which such taxes were levied is not being maintained in the current fiscal year, the proportionate share of the tax that would have been distributed to the discontinued fund shall be allocated (i) to the fund from which the activity or function for which the tax was levied is then being financed, or (ii) to the general fund if the activity or function for which the tax was levied is no longer being performed.

(c) Taxes collected during the current fiscal year, that were levied in any prior fiscal year other than one of the two immediately preceding fiscal years, may be distributed in the discretion of the governing board either (i) to the general fund, or (ii) in accordance with subsection (b) of this section. This subsection shall not repeal any portion of a local act or city charter inconsistent herewith and in effect on July 1, 1973.

(d) This section applies to taxes levied by a unit of local government on behalf of another unit, including school administrative units. (1971, c. 780, s. 1; 1973, c. 474, s. 21; 1975, c. 437, s. 15.)

Editor's Note. — The 1975 amendment added subsection (d).

Session Laws 1975, c. 437, s. 18(a), contains a severability clause. Session Laws 1975, c. 437, s. 18(b), provides: "This act shall apply to pending litigation where such application is feasible and would not work an injustice."

§ 159-28. Budgetary accounting for appropriations. — (a) Incurring Obligations. — No obligation may be incurred in a program, function, or activity accounted for in a fund included in the budget ordinance unless the budget ordinance includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year. No obligation may be incurred for a capital project authorized by a project ordinance unless that project ordinance includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay the sums obligated by the transaction. If an obligation is evidenced by a contract or agreement requiring the payment of money or by a purchase order for supplies and materials, the contract, agreement, or purchase order shall include on its face a certificate stating that the instrument has been preaudited to assure compliance with this subsection. The certificate, which shall be signed by the finance officer or any deputy finance officer approved for this purpose by the governing board, shall take substantially the following form:

"This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

. . . . . .

(Signature of finance officer)."

Certificates in the form prescribed by G.S. 153-130 or 160-411 as those sections read on June 30, 1973, or by G.S. 159-28(b) as that section read on June 30, 1975, are sufficient until supplies of forms in existence on June 30, 1975, are exhausted.

An obligation incurred in violation of this subsection is invalid and may not

be enforced. The finance officer shall establish procedures to assure compliance with this subsection.

(b) Disbursements. — When a bill, invoice, or other claim against a local government or public authority is presented, the finance officer shall either approve or disapprove the necessary disbursement. If the claim involves a program, function, or activity accounted for in a fund included in the budget ordinance or a capital project authorized by a project ordinance, the finance officer may approve the claim only if

(1) He determines the amount to be payable and

(2) The budget ordinance or a project ordinance includes an appropriation authorizing the expenditure and either (i) an encumbrance has been previously created for the transaction or (ii) an unencumbered balance remains in the appropriation sufficient to pay the amount to be disbursed.

The finance officer may approve a bill, invoice, or other claim requiring disbursement from an intragovernmental service fund or trust or agency fund not included in the budget ordinance, only if the amount claimed is determined to be payable. A bill, invoice, or other claim may not be paid unless it has been approved by the finance officer or, under subsection (c) of this section, by the governing board. The finance officer shall establish procedures to assure compliance with this subsection.

(c) Governing Board Approval of Bills, Invoices, or Claims. — The governing board may, as permitted by this subsection, approve a bill, invoice, or other claim against the local government or public authority that has been disapproved by the finance officer. It may not approve a claim for which no appropriation appears in the budget ordinance or in a project ordinance, or for which the appropriation contains no encumbrance and the unencumbered balance is less than the amount to be paid. The governing board shall approve payment by formal resolution stating the board's reasons for allowing the bill, invoice, or other claim. The resolution shall be entered in the minutes together with the names of those voting in the affirmative. The chairman of the board or some other member designated for this purpose shall sign the certificate on the check or draft given in payment of the bill, invoice, or other claim. If payment results in a violation of law, each member of the board voting to allow payment is jointly and severally liable for the full amount of the check or draft given in payment.

(d) Payment. — A local government or public authority may not pay a bill, invoice, salary, or other claim except by a check or draft on an official depository or by a bank wire transfer from an official depository. Except as provided in this subsection each check or draft on an official depository shall bear on its face a certificate signed by the finance officer or a deputy finance officer approved for this purpose by the governing board (or signed by the chairman or some other member of the board pursuant to subsection (c) of this section). The certificate shall take substantially the following form:

"This disbursement has been approved as required by the Local Government Budget and Fiscal Control Act.

. . . . . .

(Signature of finance officer)."

Certificates in the form prescribed by G.S. 153-131 or 160-411.1 as those sections read on June 30, 1973, or by G.S. 159-28(a) as that section read on June 30, 1975, are sufficient until supplies in existence on June 30, 1975, are exhausted.

No certificate is required on payroll checks or drafts on an imprest account in an official depository, if the check or draft depositing the funds in the imprest account carried a signed certificate.

(e) Penalties. — If an officer or employee of a local government or public authority incurs an obligation or pays out or causes to be paid out any funds in violation of this section, he and the sureties on his official bond are liable for

any sums so committed or disbursed. If the finance officer or any properly designated deputy finance officer gives a false certificate to any contract, agreement, purchase order, check, draft, or other document, he and the sureties on his official bond are liable for any sums illegally committed or disbursed thereby. (1971, c. 780, s. 1; 1973, c. 474, ss. 22, 23; 1975, c. 514, s. 12.)

Editor's Note. — The 1975 amendment rewrote this section.

§ 159-28.1. Facsimile signatures. — The governing board of a local government or public authority may provide by appropriate resolution or ordinance for the use of facsimile signature machines, signature stamps, or similar devices in signing checks and drafts and in signing the preaudit certificate on contracts or purchase orders. The board shall charge the finance officer or some other bonded officer or employee with the custody of the necessary machines, stamps, plates, or other devices, and that person and the sureties on his official bond are liable for any illegal, improper, or unauthorized use of them. (1975, c. 514, s. 13.)

§ 159-29. Fidelity bonds. — (a) The finance officer shall give a true accounting and faithful performance bond with sufficient sureties in an amount to be fixed by the governing board, not less than ten thousand dollars ($10,000) nor more than two hundred fifty thousand dollars ($250,000). The premium on the bond shall be paid by the local government or public authority.

(b) Each officer, employee, or agent of a local government or public authority who handles or has in his custody more than one hundred dollars ($100.00) of the unit's or public authority's funds at any time, or who handles or has access to the inventories of the unit or public authority, shall, before being entitled to assume his duties, give a faithful performance bond with sufficient sureties payable to the local government or public authority. The governing board shall determine the amount of the bond, and the unit or public authority may pay the premium on the bond. Each bond, when approved by the governing board, shall be deposited with the clerk to the board.

If another statute requires an officer, employee, or agent to be bonded, this subsection does not require an additional bond for that officer, employee, or agent.

(c) A local government or public authority may adopt a system of blanket faithful performance bonding as an alternative to individual bonds. If such a system is adopted, statutory requirements of individual bonds, except for elected officials and for finance officers and tax collectors by whatever title known, do not apply to an officer, employee, or agent covered by the blanket bond. However, although an individual bond is required for a tax collector or finance officer, such an officer may also be included within the coverage of a blanket bond if the blanket bond protects against risks not protected against by the individual bond. (1971, c. 780, s. 1; 1975, c. 514, s. 14.)

Editor's Note. — The 1975 amendment designated the existing provisions as subsection (a), substituted "two hundred fifty thousand dollars ($250,000)" for "one hundred thousand dollars ($100,000)" in the first sentence of that subsection and added subsections (b) and (c).

Approval of Bond in Smaller Amount than Required by Statute. — See Ellis v. Brown, 217 N.C. 787, 9 S.E.2d 467 (1940), decided under the former County Fiscal Control Act.

§ 159-30. Investment of idle funds. — (a) A local government or public authority may deposit at interest or invest all or part of the cash balance of any fund. The finance officer shall manage investments subject to whatever restrictions and directions the governing board may impose. The finance officer

shall have the power to purchase, sell, and exchange securities on behalf of the governing board. The investment program shall be so managed that investments and deposits can be converted into cash when needed.

(b) Moneys may be deposited at interest in any bank or trust company in this State in the form of certificates of deposit or such other forms of time deposit as the Commission may approve. Investment deposits shall be secured as provided in G.S. 159-31(b).

(c) Moneys may be invested in the following classes of securities, and no others:

(1) Obligations of the United States of America.

(2) Obligations of any agency or instrumentality of the United States of America if the payment of interest and principal of such obligations is fully guaranteed by the United States of America.

(3) Obligations of the State of North Carolina.

(4) Bonds and notes of any North Carolina local government or public authority, subject to such restrictions as the secretary may impose.

(5) Savings certificates, investment certificates, shares of or deposits in any savings and loan association organized under the laws of this State and savings certificates, investment certificates, shares of or deposits in any federal savings and loan association having its principal office in this State to the extent that the investment in such certificates, shares or deposits is fully insured by the United States of America or an agency thereof or by any mutual deposit guaranty association authorized by the Administrator of the Savings and Loan Division of the State to do business in North Carolina pursuant to Article 7A of Chapter 54 of the General Statutes.

(6) Obligations maturing no later than 18 months after the date of purchase of the Federal Intermediate Credit Banks, the Federal Home Loan Banks, the Federal National Mortgage Association, the Banks for Cooperatives, and the Federal Land Banks.

(7) Any form of investment allowed by law to the State Treasurer.

(d) Investment securities may be bought, sold, and traded by private negotiation, and local governments and public authorities may pay all incidental costs thereof and all reasonable costs of administering the investment and deposit program. Securities and deposit certificates shall be in the custody of the finance officer who shall be responsible for their safekeeping and for keeping accurate investment accounts and records.

(e) Interest earned on deposits and investments shall be credited to the fund whose cash is deposited or invested. Cash of several funds may be combined for deposit or investment if not otherwise prohibited by law; and when such joint deposits or investments are made, interest earned shall be prorated and credited to the various funds on the basis of the amounts thereof invested, figured according to an average periodic balance or some other sound accounting principle. Interest earned on the deposit or investment of bond funds shall be deemed a part of the bond proceeds.

(f) Registered securities acquired for investment may be released from registration and transferred by signature of the finance officer. (1957, c. 864, s. 1; 1967, c. 798, ss. 1, 2; 1969, c. 862; 1971, c. 780, s. 1; 1973, c. 474, ss. 24, 25; 1975, c. 481.)

Cross References. — As to investing sinking funds in bonds guaranteed by the United States, see § 53-44. As to investing in refunding bonds, see § 142-29.

Editor's Note. — The 1975 amendment inserted the provisions relating to savings certificates, investment certificates and deposits throughout subdivision (5) of subsection (c) and substituted "Administrator of the Savings and Loan Division of the State" for "Commissioner of Insurance of North Carolina" near the end of that subdivision.

§ 159-31. Selection of depository; deposits to be secured. — (a) The governing board of each local government and public authority shall designate as its official depositories one or more banks or trust companies in this State or, with the written permission of the secretary, a national bank located in another state. In addition, a unit or public authority, with the written permission of the secretary, may designate a state bank or trust company located in another state as an official depository for the purpose of acting as fiscal agent for the unit or public authority. The names and addresses of the depositories shall be reported to the secretary. It shall be unlawful for any public moneys to be deposited in any place, bank, or trust company other than an official depository, except as permitted by G.S. 159-30(b).

(b) The amount of funds on deposit in an official depository or deposited at interest pursuant to G.S. 159-30(b) shall be fully secured by deposit insurance, surety bonds, or investment securities of such nature, in such amounts, and in such manner, as may be prescribed by rule or regulation of the Local Government Commission. When deposits are secured in accordance with this subsection, no public officer or employee may be held liable for any losses sustained by a local government or public authority because of the default or insolvency of the depository. No security is required for the protection of funds remitted to and received by a bank or trust company acting as fiscal agent for the payment of principal and interest on bonds or notes, when the funds are remitted no more than 60 days prior to the maturity date. (1927, c. 146, s. 19; 1929, c. 37; 1931, c. 60, s. 32; c. 296, s. 7; 1935, c. 375, s. 1; 1939, c. 129, s. 1; c. 134; 1953, c. 675, s. 28; 1955, cc. 698, 724; 1971, c. 780, s. 1; 1973, c. 474, s. 26.)

§ 159-32. Daily deposits. — Except as otherwise provided by law, all taxes and other moneys collected or received by an officer or employee of a local government or public authority shall be deposited in accordance with this section. Each officer and employee of a local government or public authority whose duty it is to collect or receive any taxes or other moneys shall deposit his collections and receipts daily. If the governing board gives its approval, deposits shall be required only when the moneys on hand amount to as much as two hundred fifty dollars ($250.00), but in any event a deposit shall be made on the last business day of the month. All deposits shall be made with the finance officer or in an official depository. Deposits in an official depository shall be immediately reported to the finance officer by means of a duplicate deposit ticket. The finance officer may at any time audit the accounts of any officer or employee collecting or receiving taxes or other moneys, and may prescribe the form and detail of these accounts. The accounts of such an officer or employee shall be audited at least annually. (1927, c. 146, s. 19; 1929, c. 37; 1939, c. 134; 1955, cc. 698, 724; 1971, c. 780, s. 1; 1973, c. 474, s. 27.)

§ 159-33. Semiannual reports on status of deposits and investments. — Each officer having custody of any funds of any local government or public authority shall report to the secretary on January 1 and July 1 of each year (or such other dates as he may prescribe) the amounts of funds then in his custody, the amounts of deposits of such funds in depositories, a list of all investment securities and time deposits held by the local government or public authority, and a description of the surety bonds or investment securities securing demand and time deposits. If the secretary finds at any time that any funds of any unit are not properly deposited or secured, or are invested in securities not eligible for investment, he shall notify the officer in charge of the funds of the failure to comply with law. Upon such notification the officer shall comply with the law within 30 days, except as to the sale of securities not eligible for investment which shall be sold within nine months at a price to be approved by the secretary. The Commission may extend the time for sale of ineligible securities, but no one extension may cover a period of more than one year. (1931, c. 60, s. 33; 1971, c. 780, s. 1.)

§ 159-33.1. Semiannual reports of financial information. — The finance officer of each unit and public authority shall submit to the secretary on January 1 and July 1 of each year (or such other dates as the secretary may prescribe) a statement of financial information concerning the unit or public authority. The secretary may prescribe the information to be included in the statement and may prescribe the form of the statement. (1973, c. 474, s. 28.)

§ 159-34. Annual independent audit. — Each unit of local government and public authority shall have its accounts audited as soon as possible after the close of each fiscal year by a certified public accountant or by an accountant certified by the Commission as qualified to audit local government accounts. The auditor shall be selected by and shall report directly to the governing board. The audit contract or agreement shall be in writing, shall include all its terms and conditions, and shall be submitted to the secretary for his approval as to form, terms and conditions. The terms and conditions of the audit contract shall include the scope of the audit, and the requirement that upon completion of the examination the auditor shall prepare a typewritten or printed report embodying financial statements and his opinion and comments relating thereto. The audit shall be performed and the report prepared in conformity with generally accepted auditing standards. The finance officer shall file a copy of the audit report with the secretary, and shall submit all bills or claims for audit fees and costs to the secretary for his approval. It shall be unlawful for any unit of local government or public authority to pay or permit the payment of such bills or claims without this approval. Each officer and employee of the local government or local public authority having custody of public money or responsibility for keeping records of public financial or fiscal affairs shall produce all books and records requested by the auditor and shall divulge such information relating to fiscal affairs as he may request. If any member of a governing board or any other public officer or employee shall conceal, falsify, or refuse to deliver or divulge any books, records, or information, with an intent thereby to mislead the auditor or impede or interfere with the audit, he is guilty of a misdemeanor and upon conviction thereof may be fined not more than one thousand dollars ($1,000), or imprisoned for not more than one year, or both, in the discretion of the court. (1971, c. 780, s. 1; 1975, c. 514, s. 15.)

Editor's Note. — The 1975 amendment added the fifth sentence.

§ 159-35. Secretary of Local Government Commission to notify units of debt service obligations. — (a) The secretary shall mail to each local government and public authority not later than May 1 of each year a statement of its debt service obligations for the coming fiscal year, including sums to be paid into sinking funds.

(b) The secretary shall mail to each local government and public authority not later than 30 days prior to the due date of each installment of principal or interest on outstanding debt, a statement of the amount of principal and interest so payable, the due date, the place to which the payments should be sent, and a summary of the legal penalties for failing to meet debt service obligations. (1931, c. 60, ss. 36, 37; 1971, c. 780, s. 1.)

§ 159-36. Failure of local government to levy debt service taxes or provide for payment of debt. — If any local government or public authority fails or refuses to levy taxes or allocate other revenues in an amount sufficient to meet all installments of principal and interest falling due on its debt during the budget year, or to adequately maintain its sinking funds, the Commission shall enter

an order directing and commanding the governing board of the local government or public authority to enact a budget ordinance levying the necessary taxes or raising the necessary revenue by whatever means are legally available. If the governing board shall fail or refuse to comply with the Commission's order within 10 days, the order shall have the same legal force and effect as if the actions therein commanded had been taken by the governing board, and the appropriate officers and employees of the local government or public authority shall proceed to collect the tax levy or implement the plan for raising the revenue to the same extent as if such action had been authorized and directed by the governing board. Any officer, employee, or member of the governing board of any local government or public authority who willfully fails or refuses to implement an order of the Local Government Commission issued pursuant to this section forfeits his office or position. (1971, c. 780, s. 1.)

§ 159-37. Reports on status of sinking funds. — Each unit or public authority maintaining any sinking fund shall transmit to the secretary upon his request financial reports on the status of the fund and the means by which moneys are obtained for deposit therein. The secretary shall determine from this information whether the sinking funds are being properly maintained, and if he shall find that they are not, he shall order the unit to take such action as may be necessary to maintain the funds in accordance with law. (1931, c. 60, s. 31; 1971, c. 780, s. 1.)

§ 159-38. Local units authorized to accept their bonds in payment of certain claims and judgments. — Any unit of local government or public authority may accept its own bonds, at par, in settlement of any claim or judgment that it may have against any person, firm, corporation, or association due to funds held in an insolvent bank, trust company, or savings and loan association. (1933, c. 376; 1971, c. 780, s. 1.)

Part 4. Public Hospitals.

§ 159-39. Special regulations pertaining to public hospitals. — (a) For the purposes of this Part, "public hospital" means any hospital that

(1) Is operated by a county, city, hospital district, or hospital authority, or

(2) Is owned by a county, city, hospital district or hospital authority and operated by a nonprofit corporation or association, a majority of whose board of directors or trustees are appointed by the governing body of a county, city, hospital district, or hospital authority, or

(3) On whose behalf a county or city has issued and has outstanding general obligation or revenue bonds, or to which a county or city makes current appropriations (other than appropriations for the cost of medical care to prisoners or indigents).

(b) Except as provided in this Part, none of the provisions of Parts 1, 2, and 3 of this Article apply to public hospitals.

(c) Each public hospital shall operate under an annual balanced budget. A budget is balanced when the sum of appropriations is equal to the sum of estimated net revenues and appropriated fund balances.

(d) The governing board of each public hospital shall appoint or designate a finance officer, who shall have the following powers and duties:

(1) He shall prepare the annual budget for presentation to the governing board of the public hospital and shall administer the budget as approved by the board.

(2) He shall keep the accounts of the hospital in accordance with generally accepted principles of accounting.

(3) He shall prepare and file a statement of the financial condition of the hospital as revealed by its accounts upon the request of the hospital

governing board or the governing board of any county, city, or other unit of local government that has issued on behalf of the hospital and has outstanding its general obligation or revenue bonds or makes current appropriations to the hospital (other than appropriations for the cost of medical care to prisoners or indigents).

(4) He shall receive and deposit all moneys accruing to the hospital, or supervise the receipt and deposit of money by other duly authorized officers or employees of the hospital.

(5) He shall supervise the investment of idle funds of the hospital.

(6) He shall maintain all records concerning the bonded debt of the hospital, if any, determine the amount of money that will be required for debt service during each fiscal year, and maintain all sinking funds, but shall not be responsible for records concerning the bonded debt of any county, city, or other unit of local government incurred on behalf of the hospital.

(e) The Local Government Commission has authority to issue rules and regulations governing procedures for the receipt, deposit, investment, transfer, and disbursement of money and other assets by public hospitals, may inquire into and investigate the internal control procedures of a public hospital, and may require any modifications in internal control procedures which, in the opinion of the Commission, are necessary or desirable to prevent embezzlements, mishandling of funds, or continued operating deficits.

(f) The accounting system of a public hospital shall be so designed that the true financial condition of the hospital can be determined therefrom at any time. As soon as possible after the close of each fiscal year, the accounts shall be audited by a certified public accountant or by an accountant certified by the Local Government Commission as qualified to audit local government accounts. The auditor shall be selected by and shall report directly to the hospital governing board. The audit contract or agreement shall be in writing, shall include all its terms and conditions, and shall be submitted to the secretary of the Local Government Commission for his approval as to form, terms and conditions. The terms and conditions of the audit shall include the scope of the audit, and the requirement that upon completion of the examination the auditor shall prepare a written report embodying financial statements and his opinion and comments relating thereto. The finance officer shall file a copy of the audit with the secretary of the Local Government Commission and with the finance officer of any county, city, or other unit of local government that has issued on behalf of the hospital and has outstanding its general obligation or revenue bonds or makes current appropriations to the hospital (other than appropriations for the cost of medical care to prisoners or indigents).

(g) A public hospital may deposit or invest at interest all or part of its cash balance pursuant to G.S. 159-30.

(h) Public hospitals are subject to G.S. 159-31 with regard to selection of an official depository and security of deposits.

(i) Public hospitals are subject to G.S. 159-32 with regard to daily deposits.

(j) Public hospitals are subject to G.S. 159-33 with regard to semiannual reports to the Local Government Commission on the status of desposits and investments.

(k) Any hospital district or hospital authority having outstanding general obligation or revenue bonds is subject to G.S. 159-35, 159-36, 159-37, and 159-38. (1973, c. 474, s. 28.1; c. 1215.)

§§ 159-40 to 159-42: Reserved for future codification purposes.

SUBCHAPTER IV. LONG-TERM FINANCING.

ARTICLE 4.

Local Government Bond Act.

Part 1. Operation of Article.

§ 159-43. Short title; legislative intent. — (a) This Article may be cited as "The Local Government Bond Act."

(b) It is the intent of the General Assembly by enactment of this Article to prescribe a uniform system of limitations upon and procedures for the exercise by all units of local government in North Carolina of the power to borrow money secured by a pledge of the taxing power. To this end, all provisions of special, local, or private acts in effect as of July 1, 1973, authorizing the issuance of bonds or notes secured by a pledge of the taxing power or prescribing procedures therefor are repealed. No special, local, or private act enacted or taking effect after July 1, 1973, may be construed to modify, amend, or repeal any portion of this Article unless it expressly so provides by specific reference to the appropriate section of this Article. (1971, c. 780, s. 1; 1973, c. 494, s. 2.)

§ 159-44. Definitions. — The words and phrases defined in this section shall have the meanings indicated when used in this Article, unless the context clearly requires another meaning:

(1) "Finance officer" means the officer performing the duties of finance officer of a unit of local government pursuant to G.S. 159-24 of the Local Government Budget and Fiscal Control Act.

(2) "Governing board" or "board" means the governing body of a unit of local government.

(3) "Sinking fund" means a fund held for the retirement of term bonds.

(4) "Unit," "unit of local government," or "local government" means counties; cities, towns, and incorporated villages; sanitary districts; mosquito control districts; hospital districts; metropolitan sewerage districts; and metropolitan water districts.

(5) "Utility or public service enterprise" includes:

i. Electric power transmission and distribution systems;

ii. Water supply facilities and distribution systems;

iii. Sewage collection and disposal systems;

iv. Gas transmission and distribution systems;

v. Public transporation systems, including but not limited to bus lines, ferries, and mass transit systems;

vi. Solid waste collection and disposal systems and facilities;

vii. Cable television systems;

viii. Off-street parking facilities and systems;

ix. Public auditoriums, coliseums, stadiums and convention centers;

x. Airport; and

xi. Hospitals and other health-related facilities. (1971, c. 780, s. 1; 1973, c. 494, s. 3.)

§ 159-45. All general obligation bonds subject to Local Government Bond Act. — No unit of local government in this State shall have authority to enter into any contract or agreement, whether oral or written, whereby it borrows money and makes an express or implied pledge of its power to levy taxes as security for repayment of the loan, except by the issuance of its bonds in accordance with the limitations and procedures prescribed in this Article or by the issuance of its negotiable notes in accordance with the limitations and procedures prescribed in Article 9 of this Chapter. (1971, c. 780, s. 1.)

§ 159-46. Faith and credit pledged. — The faith and credit of the issuing unit are hereby pledged for the payment of the principal of and interest on all bonds issued under this Article according to their terms, and the power and obligation of the issuing unit to levy taxes and raise other revenues for the prompt payment of installments of principal and interest or for the maintenance of sinking funds shall be unrestricted as to rate or amount, notwithstanding any other provisions of law whether general, special, local, or private. (1971, c. 780, s. 1.)

Cross Reference. — For statute authorizing counties, with the approval of the Local Government Commission, to avail themselves of the Federal Bankruptcy Act, see § 23-48.

§ 159-47. Additional security for utility or public service enterprise bonds. — (a) The revenues of a utility or public service enterprise owned or leased by a unit of local government shall be applied in accordance with the following priorities:

(1) First, to pay the operating, maintenance, and capital outlay expenses of the utility or enterprise.

(2) Second, to pay when due the interest on and principal of outstanding bonds issued for capital projects that are or were a part of the utility or enterprise.

(3) Third, for any other lawful purpose.

Notwithstanding the foregoing provisions, a county which owns or leases hospitals or other health-related facilities and has not issued any general obligation bonds during the period July 1, 1973, to July 1, 1974, for a capital project that is or was a part of such hospitals or other health-related facilities shall have the option of applying the revenues of such hospitals or other health-related facilities in accordance with a bond order adopted under the Local Government Revenue Bond Act.

(b) In the discretion of the governing board of the issuing unit, the bond order may pledge the revenues (or any portion of the revenues) of a utility or public service enterprise to the payment of the interest on and principal of bonds issued under this Article to finance capital projects that are to become a part of the utility or enterprise.

(c) In the discretion of the governing board of the issuing unit, a bond order authorizing the issuance of bonds under this Article to finance capital projects that are to become a part of a utility or public service enterprise owned or leased by the issuing unit may state that the revenues of the utility or enterprise may be pledged to the payment of the interest on and principal of the bonds if and to the extent that the governing board of the unit shall thereafter determine by resolution (prior to the issuance of the bonds), and that a tax sufficient to pay the principal of and interest on the bonds shall be annually levied and collected by the issuing unit on all taxable property within its taxing jurisdiction, but that in the event that any revenues of the utility or enterprise shall be pledged to the payment of the bonds, the tax may be reduced by the amount of utility or enterprise revenues available for the payment of the principal and interest. A pledge of utility or enterprise revenues pursuant to this subsection shall be made by resolution of the governing board of the issuing unit after the bond order is adopted and before bonds are issued thereunder.

(d) When a pledge of utility or enterprise revenues is made pursuant to this section, the issuing unit shall have, with respect to the utility or enterprise whose revenues are pledged, all of the powers set out in G.S. 159-83 and G.S. 159-89. (1971, c. 780, s. 1; 1973, c. 1326.)

§ 159-48. For what purposes bonds may be issued. — (a) Each unit of local government is authorized to borrow money and issue its bonds under this Article in evidence thereof for any one or more of the following purposes:

(1) To suppress riots, insurrections, or any extraordinary breach of law and order.
(2) To supply an unforeseen deficiency in the revenue when taxes actually received or collected during the fiscal year fall below collection estimates made in the annual budget ordinance within the limits prescribed in G.S. 159-13.
(3) To meet emergencies threatening the public health or safety, as conclusively determined in writing by the Governor.
(4) To refund outstanding revenue bonds or revenue bond anticipation notes.
(5) To refund outstanding general obligation bonds or general obligation bond anticipation notes.
(6) To fund judgments for specified sums of money entered against the unit by a court of competent jurisdiction.
(7) To fund valid, existing obligations of the unit not incurred by the borrowing of money.

(b) Each county and city is authorized to borrow money and issue its bonds under this Article in evidence thereof for the purpose of paying any capital costs of any one or more of the following:

(1) Providing airport facilities, including without limitation related land, landing fields, runways, clear zones, lighting, navigational and signal systems, hangars, terminals, offices, shops, and parking facilities.
(2) Providing armories for the North Carolina national guard.
(3) Providing auditoriums, coliseums, arenas, stadiums, civic centers, convention centers, and facilities for exhibitions, athletic and cultural events, shows, and public gatherings.
(4) Providing beach inprovements, including without limitation jetties, seawalls, groins, moles, sand dunes, vegetation, additional sand, pumps and related equipment, and drainage channels, for the control of beach erosion and the improvement of beaches.
(5) Providing cemeteries.
(6) Providing facilities for fire fighting and prevention, including without limitation headquarters buildings, station buildings, training facilities, hydrants, alarm systems, and communications systems.
(7) Providing hospital facilities, including without limitation general, tuberculosis, mental, chronic disease, and other types of hospitals and related facilities such as laboratories, outpatient departments, nurses' homes and training facilities, and central service facilities operated in connection with hospitals; facilities for the provision of public health services, including related facilities such as laboratories, clinics, and administrative offices; facilities specially designed for the diagnosis, treatment, education, training, or custodial care of the mentally retarded, including facilities for training specialists and sheltered workshops for the mentally retarded; nursing homes; and in connection with the foregoing, laundries, nurses', doctors', or interns' residences, administrative buildings, research facilities, maintenance, storage, and utility facilities, auditoriums, dining halls, food service and preparation facilities, fire prevention facilities, mental and physical health care facilities, dental care facilities, nursing schools, mental teaching facilities, offices, parking facilities, and other supporting service structures.
(8) Providing land for corporate purposes.
(9) Providing facilities for law enforcement, including without limitation headquarters buildings, station buildings, jails and other confinement facilities, training facilities, alarm systems, and communications systems.

(10) Providing library facilities, including without limitation fixed and mobile libraries.
(11) Providing art galleries, museums, and art centers, and providing for historic properties.
(12) Providing parking facilities, including on- and off-street parking, and in connection therewith any area or place for the parking and storing of automobiles and other vehicles open to public use, with or without charge, including without limitation meters, buildings, garages, driveways, and approaches.
(13) Providing parks and recreation facilities, including without limitation land, athletic fields, parks, playgrounds, recreation centers, shelters, stadiums, arenas, permanent and temporary stands, golf courses, swimming pools, wading pools, marinas, and lighting.
(14) Providing public building, including without limitation buildings housing courtrooms, other court facilities, and council rooms, office buildings, public markets, public comfort stations, warehouses, and yards.
(15) Providing public vehicles, including without limitation those for law enforcement, fire fighting and prevention, sanitation, street paving and maintenance, safety and public health, and other corporate purposes.
(16) Providing for redevelopment through the acquisition of land and the improvement thereof for assisting local redevelopment commissions.
(17) Providing sanitary sewer systems, including without limitation facilities for the collection, treatment, and disposal of sewage.
(18) Providing solid waste disposal systems, including without limitation land for sanitary landfills, incinerators, and other structures and buildings.
(19) Providing storm sewers and flood control facilities, including without limitation levees, dikes, diversionary channels, drains, catch basins, and other facilities for storm water drainage.
(20) Providing voting machines.
(21) Providing water systems, including without limitation facilities for the supply, storage, treatment, and distribution of water.
(22) Providing for any other purpose for which it is authorized, by general laws uniformly applicable throughout the State, to raise or appropriate money, except for current expenses.

(c) Each county is authorized to borrow money and issue its bonds under this Article in evidence thereof for the purpose of, in the case of subdivisions (1) to (4), inclusive, paying any capital costs of any one or more of the purposes mentioned therein and, in the case of subdivision (5), to finance the cost thereof:

(1) Providing community college and technical institute facilities, including without limitation buildings, plants, and other facilities, physical and vocational educational buildings and facilities, including in connection therewith classrooms, laboratories, libraries, auditoriums, administrative offices, student unions, dormitories, gymnasiums, athletic fields, cafeterias, utility plants, and garages.
(2) Providing courthouses, including without limitation offices, meeting rooms, court facilities and rooms, and detention facilities.
(3) Providing county homes for the indigent and infirm.
(4) Providing school facilities, including without limitation schoolhouses, buildings, plants and other facilities, physical and vocational educational buildings and facilities, including in connection therewith classrooms, laboratories, libraries, auditoriums, administrative offices, gymnasiums, athletic fields, lunchrooms, utility plants, garages, and school buses and other necessary vehicles.
(5) Providing for the octennial revaluation of real property for taxation.

(d) Each city is authorized to borrow money and issue its bonds under this Article in evidence thereof for the purpose of paying any capital costs of any one or more of the following:

(1) Providing mass transit facilities, including without limitation equipment for public transportation, buses, surface and below-ground railways, ferries, and garage facilities.

(2) Providing cable television systems.

(3) Providing electric systems, including without limitation facilities for the generation, transmission, and distribution of electric light and power.

(4) Providing gas systems, including without limitation facilities for the production, storage, transmission and distribution of gas, where systems shall also include the purchase and/or lease of natural gas fields and natural gas reserves and the purchase of natural gas supplies, and where any parts of such systems may be located either within the State or without.

(5) Providing streets and sidewalks, including without limitation bridges, viaducts, causeways, overpasses, underpasses, and alleys; paving, grading, resurfacing, and widening streets; sidewalks, curbs and gutters, culverts, and drains; traffic controls, signals, and markers; lighting; and grade crossings and the elimination thereof and grade separations.

(6) Improving existing systems or facilities for the transmission or distribution of telephone services.

(e) Each sanitary district, mosquito control district, hospital district, metropolitan sewerage district, and metropolitan water district is authorized to borrow money and issue its bonds under this Article in evidence thereof for the purpose of paying any capital costs of any one or more of the purposes for which it is authorized, by general laws uniformly applicable throughout the State, to raise or appropriate money, except for current expenses.

(f) For any of the purposes authorized by subsections (b), (c), (d), or (e) of this section, a unit may do any of the following that it considers necessary or convenient:

(1) Acquire, construct, erect, provide, develop, install, furnish, and equip; and

(2) Reconstruct, remodel, alter, renovate, replace, refurnish, and reequip; and

(3) Enlarge, expand, and extend; and

(4) Demolish, relocate, improve, grade, drain, landscape, pave, widen, and resurface.

(g) Bonds for two or more unrelated purposes, not of the same general class or character, shall not be authorized by the same bond order. However, bonds for any of the purposes listed in any subdivision of any subsection of this section shall be deemed to be for one purpose and may be authorized by the same bond order. In addition, nothing herein may be deemed to prohibit the combining of purposes from any of such paragraphs and the authorization of bonds therefor by the same bond order to the extent that the purposes are not unrelated.

(h) As used in this section, "capital costs" include, without limitation, the following:

(1) The costs of doing any or all of the things mentioned in subsection (f) of this section; and

(2) The costs of all property, both real and personal and both improved and unimproved, plants, works, appurtenances, structures, facilities, furnishings, machinery, equipment, vehicles, easements, water rights, franchises, and licenses used or useful in connection with the purpose authorized; and

(3) The costs of demolishing or moving structures from land acquired and acquiring any lands to which such structures are to be moved; and
(4) Financing charges, including estimated interest during construction and for six months thereafter; and
(5) The costs of plans, specifications, studies and reports, surveys, and estimates of costs and revenues; and
(6) The costs of bond printing and insurance; and
(7) Administrative and legal expenses; and
(8) Any other services, costs, and expenses necessary or incidental to the purpose authorized.

(i) This section does not authorize any unit to undertake any program, function, joint undertaking, or service not otherwise authorized by law. It is intended only to authorize the borrowing of money and the issuance of bonds within the limitations set out herein to finance programs, functions, joint undertakings, or services authorized by other portions of the General Statutes or by city charters. (1917, c. 138, s. 16; 1919, c. 178, s. 3(16); C. S., s. 2937; 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1927, c. 81, s. 8; 1929, c. 171, s. 1; 1931, c. 60, ss. 48, 54; 1933, c. 259, ss. 1, 2; 1935, c. 302, ss. 1, 2; 1939, c. 231, ss. 1, 2(c); 1943, c. 13; 1945, c. 403; 1947, cc. 520, 931; 1949, c. 354; c. 766, s. 3; c. 1270; 1953, c. 1065, s. 1; 1957, c. 266, s. 1; c. 856, s. 1; c. 1098, s. 16; 1959, c. 525; c. 1250, s. 2; 1961, c. 293; c. 1001, s. 2; 1965, c. 307, s. 2; 1967, c. 987, s. 2; c. 1001, s. 1; 1971, c. 780, s. 1; 1973, c. 494, s. 4; c. 1037; 1975, c. 549, s. 1; c. 821, s. 1.)

Editor's Note. — The first 1975 amendment inserted "production" in subdivision (4) of subsection (d).

The second 1975 amendment added the language beginning "where systems shall also include" at the end of subdivision (4) of subsection (d).

Session Laws 1975, c. 821, s. 6, contains a severability clause.

The cases cited in the following note were decided under former statutory provisions similar to this section.

Constitutionality of Former § 153-77. — Former § 153-77, specifying the purposes for which county bonds could be issued, was constitutional. Evans v. Mecklenburg County, 205 N.C. 560, 172 S.E. 323 (1934).

Construction of Water and Sewer Systems. — The General Assembly may grant to a county the authority to issue bonds for the construction of water and sewer systems when "approved by a majority of those who shall vote thereon in any election held for such purpose" as required by N.C. Const., Art. V, § 4, subsection (2). Ramsey v. Board of Comm'rs, 246 N.C. 647, 100 S.E.2d 55 (1957).

Erection and Maintenance of Public Hospital. — The authority to issue valid bonds for the erection and maintenance of a public hospital with the approval of its voters was conferred on a municipality by former §§ 160-230 and 160-378, and where the other statutes relevant had been duly followed, the bonds so issued were a valid obligation of the town issuing them, and their issuance would not be enjoined by the courts. Burleson v. Board of Aldermen, 200 N.C. 30, 156 S.E. 241 (1930).

Erection of Schoolhouses and Purchase of Land for School Purposes. — The counties of the State are authorized to issue bonds and notes for the erection of schoolhouses and for the purchase of land necessary for school purposes, and to levy taxes for the payment of the same, principal and interest, not as municipal corporations, organized primarily for purposes of local government, but as administrative agencies of the State, employed by the General Assembly to discharge the duty imposed upon it by the Constitution to provide a State system of public schools. Frazier v. Board of Comm'rs, 194 N.C. 49, 138 S.E. 433 (1927); Bridges v. City of Charlotte, 221 N.C. 472, 20 S.E.2d 825 (1942).

Refunding of Indebtedness Incurred for School Purposes. — Where a county under power conferred by special statute has borrowed money from time to time for the maintenance and equipment of its public schools, its bonds to refund the indebtedness so incurred are valid if issued in conformity with the provisions of the applicable statute. Hartsfield v. Craven County, 194 N.C. 358, 139 S.E. 698 (1927).

Indebtedness for teachers' salaries was held to come within the purview of an earlier statute authorizing issuance of bonds for the funding or refunding of valid indebtedness. Hampton v. Board of Educ., 195 N.C. 213, 141 S.E. 744 (1928).

§ 159-49. When a vote of the people is required. — Bonds may be issued under this Article only if approved by a vote of the qualified voters of the issuing

unit as provided in this Article, except that voter approval shall not be required for:

(1) Bonds issued for any purpose authorized by G.S. 159-48(a)(1), (2), (3), or (5).

(2) Bonds issued by a county or city for any purpose authorized by G.S. 159-48(a)(4), (6), or (7) or G.S. 159-48(b), (c), or (d) (except purposes authorized by G.S. 159-48(b)(3), (11), (16), or (22) or by G.S. 159-48(d)(1) or (2)) in an aggregate principal sum not exceeding two thirds of the amount by which the outstanding indebtedness of the issuing county or city has been reduced during the next preceding fiscal year.

Pursuant to Article V, Sec. 4(2) of the Constitution, the General Assembly hereby declares that the purposes authorized by G.S. 159-48(a)(4), (6), and (7) and by G.S. 159-48(b), (c), and (d) (except purposes authorized by G.S. 159-48(b)(3), (11), (16), or (22) or by G.S. 159-48(d)(1) or (2)) are purposes for which bonds may be issued without a vote of the people, to the extent of two thirds of the amount by which the outstanding indebtedness of the issuing county or city was reduced in the last preceding fiscal year. (1971, c. 780, s. 1; 1973, c. 494, s. 5.)

Cross Reference. — As to when an election is and is not required under the "necessary expense limitation" of N.C. Const., Art. V, § 4(2), see note to N.C. Const., Art. V, § 4.

Part 2. Procedure for Issuing Bonds.

§ 159-50. Notice of intent to make application for issuance of voted bonds; objection by citizens and taxpayers. — When a unit of local government proposes to issue bonds that must be approved by a vote of the people, it shall first publish a notice of its intent to make application to the Commission for approval of the issue. The notice shall be published once not less than 10 days before the application is filed. The notice shall state (i) that the board intends to file an application with the Commission for approval of a bond issue, (ii) in brief and general terms the purpose of the proposed issue, (iii) the maximum amount of bonds to be issued, and (iv) that any citizen or taxpayer of the issuing unit may, within seven days after the date of the publication, file with the governing board and the Commission a statement of any objections he may have to the issue. The Commission may prescribe the form of the notice.

Any citizen or taxpayer of the issuing unit who objects to the proposed bond issue in whole or in part may, within seven days from the date of publication of the notice, file a written statement of his objections with the board and the Commission. The statement shall set forth each objection to the proposed bond issue and shall contain the name and address of the person filing it. The Commission shall consider the statement of objections along with the application and shall notify the objector and the board of its disposition of each objection.

Failure to comply with this section shall not affect the validity of any bonds otherwise issued in accordance with the law. This section shall not apply to bonds that need not be submitted to a vote of the people. (1953, c. 1121; 1971, c. 780, s. 1.)

§ 159-51. Application to Commission for approval of bond issue; preliminary conference; acceptance of application. — No bonds may be issued under this Article unless the issue is approved by the Local Government Commission. The governing board of the issuing unit shall file an application for Commission approval of the issue with the secretary of the Commission. The application shall state such facts and have attached to it such documents concerning the proposed bonds and the financial condition of the issuing unit as the secretary may require. The Commission may prescribe the form of the application.

Before he accepts the application, the secretary may require the governing board or its representatives to attend a preliminary conference to consider the proposed bond issue.

After an application in proper form has been filed, and after a preliminary conference if one is required, the secretary shall notify the unit in writing that the application has been filed and accepted for submission to the Commission. The secretary's statement shall be conclusive evidence that the unit has complied with this section. (1953, c. 1121; 1971, c. 780, s. 2.)

Validation of Certain Proceedings Not Complying with Former § 159-7. — See Session Laws 1959, c. 318.

§ 159-52. Approval of application by Commision. — (a) In determining whether a proposed bond issue shall be approved, the Commission may consider:

(1) Whether the project to be financed from the proceeds of the bond issue is necessary or expedient.
(2) The nature and amount of the outstanding debt of the issuing unit.
(3) The unit's debt management procedures and policies.
(4) The unit's tax and special assessments collection record.
(5) The unit's compliance with the Local Government Budget and Fiscal Control Act.
(6) Whether the unit is in default in any of its debt service obligations.
(7) The unit's present tax rates, and the increase in tax rate, if any, necessary to service the proposed debt.
(8) The unit's appraised and assessed value of property subject to taxation.
(9) The ability of the unit to sustain the additional taxes necessary to service the debt.
(10) The ability of the Commission to market the proposed bonds at reasonable interest rates.
(11) If the proposed issue is for a utility or public service enterprise, the probable net revenues of the project to be financed and the extent to which the revenues of the utility or enterprise, after addition of the revenues of the project to be financed, will be sufficient to service the proposed debt.
(12) Whether the amount of the proposed debt will be adequate to accomplish the purpose for which it is to be incurred.

The Commission may inquire into and give consideration to any other matters which it may believe to have a bearing on whether the issue should be approved.

(b) The Commission shall approve the application if, upon the information and evidence it receives, it finds and determines:

(1) That the proposed bond issue is necessary or expedient.
(2) That the amount proposed is adequate and not excessive for the proposed purpose of the issue.
(3) That the unit's debt management procedures and policies are good, or that reasonable assurances have been given that its debt will henceforth be managed in strict compliance with law.
(4) That the increase in taxes, if any, necessary to service the proposed debt will not be excessive.
(5) That the proposed bonds can be marketed at reasonable rates of interest.

If the Commission tentatively decides to deny the application because it is of the opinion that any one or more of these conclusions cannot be supported from the information presented to it, it shall so notify the unit filing the application. If the unit so requests, the Commission shall hold a public hearing on the application at which time any interested persons shall be heard. The Commission may appoint a hearing officer to conduct the hearing, and to present a summary

of the testimony and his recommendations for the Commission's consideration. (1931, c. 60, ss. 12, 13; 1971, c. 780, s. 1.)

§ 159-53. Order approving or disapproving an application. — (a) After considering an application, and conducting a public hearing thereon if one is requested under G.S. 159-52(b), the Commission shall enter its order either approving or denying the application. An order approving an issue shall not be regarded as an approval of the legality of the bonds in any respect.

(b) If the Commission shall enter an order denying an application, the proceedings under this Subchapter shall be at an end. (1931, c. 60, s. 14; 1971, c. 780, s. 1.)

§ 159-54. The bond order. — After or at the same time the application is filed and accepted for submission to the Commission, a bond order shall be introduced before the governing board of the issuing unit. The bond order shall state:

(1) Briefly and generally and without specification of location or material of construction, the purpose for which the bonds are to be issued, but not more than one purpose may be stated. For funding or refunding bonds a brief description of the debt, judgment, or obligation to be funded or refunded shall be sufficient.
(2) The maximum aggregate principal amount of the bonds.
(3) That taxes will be levied in an amount sufficient to pay the principal and interest of the bonds.
(4) The extent, if any, to which utility or enterprise revenues are, or may be, pledged to payment of interest on and principal of the bonds pursuant to G.S. 159-47.
(5) That a sworn statement of debt has been filed with the clerk and is open to public inspection.
(6) If the bonds are to be approved by the voters, that the bond order will take effect when approved by the voters.
(7) If the bonds are issued pursuant to G.S. 159-48(a)(1), (2), (3), or (5), that the bond order will take effect upon its adoption. If the bonds are to be issued pursuant to G.S. 159-48(a)(4), (6), or (7) or G.S. 159-48(b), (c), or (d) and are not to be submitted to the voters, that the bond order will take effect 30 days after its publication following adoption, unless it is petitioned to a vote of the people as provided in G.S. 159-60, and that in that event the order will take effect when approved by the voters.

When the bond order is introduced, the board shall fix the time and place for a public hearing thereon. (1917, c. 138, s. 17; 1919, c. 178, s. 3(17); c. 285, s. 2; C. S., s. 2938; 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1927, c. 81, s. 9; 1931, c. 60, ss. 49, 55; 1933, c. 259, ss. 1, 2; 1935, c. 302, ss. 1, 2; 1949, c. 497, ss. 1, 3; 1957, c. 856, s. 2; 1971, c. 780, s. 1; 1973, c. 494, s. 6.)

Editor's Note. — The cases cited in the following note were decided under former statutory provisions similar to this section.

The bond order is the crucial foundation document which supports and explains the proposal to be submitted, and material representations set out in the bond order ordinarily become essential elements of the proposition submitted to the voters. Rider v. Lenoir County, 236 N.C. 620, 73 S.E.2d 913 (1952).

Courts Cannot Supply Deficiency in Order. — The courts are without authority to supply a deficiency in the bond order. Hall v. Commissioners of Duplin, 195 N.C. 367, 142 S.E. 315 (1928).

Stipulation in Bond Order May Become Limitation on Subsequent Official Acts. — Where the bond order contains a stipulation definitely fixing the maximum amount of county funds to be expended on a proposed project, such stipulation, treated as a compact, becomes a limitation upon subsequent official acts based on a favorable vote and may not be materially varied. Rider v. Lenoir County, 236 N.C. 620, 73 S.E.2d 913 (1952).

Provision Becoming Part of Bonds. — A provision set out in former § 159-46 and

incorporated in an ordinance authorizing the issuance of bonds entered into and became an integral part of the bonds when issued, with contractual force and effect, which could not be impaired by subsequent legislation. Nash v. Board of Comm'rs, 211 N.C. 301, 190 S.E. 475 (1937).

Statement of Purpose of Bonds. — The ordinance authorizing a bond sale and calling a special election must state the purpose in only brief and general terms. Sykes v. Belk, 278 N.C. 106, 179 S.E.2d 439 (1971).

A bond order may contain several sections and authorize the issue of bonds for different purposes. Atkins v. McAden, 229 N.C. 752, 51 S.E.2d 484 (1949).

Order Need Not Set Out in Detail Estimates of Cost and Descriptions of Projects. — It is not required that a bond order set out in detail the estimates of cost and descriptions of the particular projects for which the funds are proposed to be used, and their inclusion does not limit the allocation of the proceeds of the bonds, provided the use of the funds falls within the general purpose designated. Atkins v. McAden, 229 N.C. 752, 51 S.E.2d 484 (1949).

It Need Not Specify That Public Funds Will Supplement Bond Moneys. — Where public funds are to supplement bond moneys, it is not required that the bond order specify, or the voters be advised, that the proceeds of the proposed bond issue are to be used with, or in addition to, a sum of money on hand or otherwise available for the proposed improvement. Rider v. Lenoir County, 236 N.C. 620, 73 S.E.2d 913 (1952).

But Where Order Stipulates Total Sum to Be Expended, Appropriation of Additional Sum Is Unauthorized. — While a county may ordinarily expend unallocated nontax moneys for the public purpose of a county hospital even in those instances in which a bond order for the hospital does not specify that the proceeds of the bonds are to be used together with such unallocated nontax moneys, where the bond order specifically specifies that the total maximum amount to be expended by the county for the hospital is not to exceed $465,000 the allocation of an additional supplemental appropriation of over $138,000 out of nontax moneys on hand is a material variance from the compact as set forth in the bond order, and the county should be restrained in a proper suit from issuing the bonds and disbursing county funds in accordance with hospital plans predicated upon such increased appropriation. Rider v. Lenoir County, 236 N.C. 620, 73 S.E.2d 913 (1952).

Amount and Manner of Assessment against Each Abutting Owner Need Not Be Set Forth. — It is not required that a bond ordinance of a municipality set forth in express terms the proportion of the cost of the proposed improvements which has been, or is to be, assessed against the property of each owner abutting upon the streets to be improved or the terms and method of making the payment, if the procedure follow the direction of the statutes relating to the subject. Leak v. Town of Wadesboro, 186 N.C. 683, 121 S.E. 12 (1923).

Use of Proceeds of Bonds Limited by Bond Order. — Where a bond order approved by the voters of a county authorized the issuance of bonds in an aggregate amount to finance a new building or buildings to be used as a public hospital and the acquisition of a suitable site therefor, the use of the proceeds of the bonds was limited by the bond order, and the county could not use the surplus left after completing the project contemplated in the bond order toward the construction of a clinic in another municipality of the county. Lewis v. Beaufort County, 249 N.C. 628, 107 S.E.2d 77 (1959).

Substantial Deviation from Purpose. — Where the manifest purpose for which a civic center bond issue was proposed was to revitalize the downtown area, with the civic center becoming the catalyst for other projects, and the site finally chosen by the city council remained in the downtown area, although at a distance of approximately four blocks from the site noted in speeches by public officials before the election, there was not a substantial deviation from the purpose for which the bonds were proposed. Sykes v. Belk, 278 N.C. 106, 179 S.E.2d 439 (1971).

Misrepresentations made as to the site of the civic center, for whose construction a bond issue to be paid by taxes was proposed, did not vitiate the question as submitted to the voters in the bond issue election. Sykes v. Belk, 278 N.C. 106, 179 S.E.2d 439 (1971).

Use of Funds for Hospital "Buildings". — Where the resolution of the county commissioners in submitting to a vote the question of issuing bonds for a public hospital used the word "buildings," and it was later found that a surplus would remain after the erection and equipment of the main hospital building, such surplus could be used for the purpose of erecting on the hospital grounds a home for nurses, technicians and others engaged in essential employment incidental to the proper operation of the hospital. Worley v. Johnston County, 231 N.C. 592, 58 S.E.2d 99 (1950).

Intent to Use Funds for Construction of Water and Sewer Lines in Annexed Areas. — Where there is no irregularity in the authorization of municipal bonds for its water and sewer systems, and in the city's notice of intent to annex certain areas it is stated that it intended to use certain of the proceeds of the bonds for the construction of water and sewer lines in areas intended to be annexed, the fact that neither the bond ordinance nor the ballots

used in the election at which the issuance of the bonds was approved disclosed such intent does not affect the validity of the bonds. Upchurch v. City of Raleigh, 252 N.C. 676, 114 S.E.2d 772 (1960).

§ 159-55. Sworn statement of debt; debt limitation. — (a) After the bond order has been introduced and before the public hearing thereon, the finance officer (or some other officer designated by the governing board for this purpose) shall file with the clerk a statement showing the following:

(1) The gross debt of the unit, excluding therefrom debt incurred or to be incurred in anticipation of the collection of taxes or other revenues or in anticipation of the sale of bonds other than funding and refunding bonds. The gross debt (after exclusions) is the sum of (i) outstanding debt evidenced by bonds, (ii) bonds authorized by orders introduced but not yet adopted, (iii) unissued bonds authorized by adopted orders, and (iv) outstanding debt not evidenced by bonds. However, for purposes of the sworn statement of debt and the debt limitation, revenue bonds shall not be considered debt and such bonds shall not be included in gross debt nor deducted from gross debt.

(2) The deductions to be made from gross debt in computing net debt. The following deductions are allowed:

a. Funding and refunding bonds authorized by orders introduced but not yet adopted.

b. Funding and refunding bonds authorized but not yet issued.

c. The amount of money held in sinking funds or otherwise for the payment of any part of the principal of gross debt other than debt incurred for water, gas, electric light or power purposes, or sanitary sewer purposes (to the extent that the bonds are deductible under subsection (b) of this section), or two or more of these purposes.

d. The amount of bonded debt included in gross debt and incurred, or to be incurred, for water, gas, or electric light or power purposes, or any two or more of these purposes.

e. The amount of bonded debt included in the gross debt and incurred, or to be incurred, for sanitary sewer system purposes to the extent that the debt is made deductible by subsection (b) of this section.

f. The amount of uncollected special assessments theretofore levied for local improvements for which any part of the gross debt (that is not otherwise deducted) was or is to be incurred, to the extent that the assessments will be applied, when collected, to the payment of any part of the gross debt.

g. The amount, as estimated by the governing board of the issuing unit or an officer designated by the board for this purpose, of special assessments to be levied for local improvements for which any part of the gross debt (that is not otherwise deducted) was or is to be incurred, to the extent that the special assessments, when collected, will be applied to the payment of any part of the gross debt.

(3) The net debt of the issuing unit, being the difference between the gross debt and deductions.

(4) The appraised value of property subject to taxation by the issuing unit before the application of any assessment ratio. The appraised value of property subject to taxation by the issuing unit is the value from which the assessed value last fixed for taxation by the issuing unit was computed, as revealed by the county tax records and certified to the issuing unit by the county tax supervisor.

(5) The percentage that the net debt bears to the appraised value of property subject to taxation by the issuing unit.

(b) Debt incurred or to be incurred for sanitary sewer system purposes is deductible from gross debt when the combined revenues of the water system and the sanitary sewer system (whether or not the water and sewer system are operated separately or as a consolidated system) were sufficient to pay all operating, capital outlay, and debt service expenditures attributable to both systems in each of the three complete fiscal years immediately preceding the date on which the sworn statement of debt is filed. For the purposes of this subsection, the "revenues" of a water system and a sanitary sewer system include:

(1) Rates, fees, rentals, charges, and other receipts and income derived from or in connection with the system.

(2) Fees, rents, or other charges collected from other offices, agencies, institutions, and departments of the issuing unit at rates not in excess of those charged to other consumers, customers, or users.

(3) Appropriations from the fund balance of the prior fiscal year from the fund or funds established to account for the revenues and expenditures of the water system or sewer system pursuant to G.S. 159-13(a) of the Local Government Budget and Fiscal Control Act.

Before the sworn statement of debt is filed, the secretary shall determine to what extent debt incurred or to be incurred for sanitary sewer system purposes qualifies for deduction from gross debt pursuant to this subsection, and shall give his certificate to that effect. The secretary's certificate shall be filed with and deemed a part of the sworn statement of debt. The secretary's certificate shall be conclusive in the absence of fraud.

(c) No bond order shall be adopted unless it appears from the sworn statement of debt filed in connection therewith that the net debt of the unit does not exceed eight percent (8%) of the appraised value of property subject to taxation by the issuing unit before the application of any assessment ratio as determined under subsection (a)(4) of this section. This limitation shall not apply to:

(1) Funding and refunding bonds.

(2) Bonds issued for water, gas, or electric power purposes, or two or more of these purposes.

(3) Bonds issued for sanitary sewer system purposes when the bonds are deductible pursuant to subsection (b) of this section.

(4) Bonds issued for sanitary sewers, sewage disposal, or sewage purification plants when the construction of these facilities has been ordered by the Environmental Management Commission, which Commission is hereby authorized to make such an order, or by a court of competent jurisdiction.

(5) Bonds or notes issued for erosion control purposes.

(6) Bonds or notes issued for the purpose of erecting jetties or other protective works to prevent encroachment by the ocean, sounds, or other bodies of water. (1917, c. 138, s. 19; 1919, c. 178, s. 3(19); c. 285, s. 4; C. S., s. 2943; 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1927, c. 81, ss. 13, 14; c. 102, s. 1; 1931, c. 60, s. 51; 1933, c. 259, s. 1; c. 321; Ex. Sess. 1938, c. 3; 1955, c. 1045; 1959, c. 779, s. 10; 1967, c. 892, s. 4; 1969, c. 1092; 1971, c. 780, s. 1; 1973, c. 494, s. 7; c. 1262, s. 23.)

Editor's Note. — The cases cited in the following note were decided under former statutory provisions similar to this section.

Action Attacking Bond Order on Ground of Failure to File Statement. — Where taxpayers instituted an action attacking a bond order passed by the board of county commissioners on the ground that the commissioners had failed to comply with the statute requiring the filing of a true statement of the county debt, the attack upon the order is upon statutory as distinguished from constitutional grounds, and an action instituted more than 30 days after the first publication of the order cannot be

maintained. Garrell v. Columbus County, 215 N.C. 589, 2 S.E.2d 701 (1939).

Bonds issued by a municipality for water and sewer systems do not come within the inhibition against incurring debt in excess of 8% of the assessed valuation (now 8% of the appraised value). Lamb v. Randleman, 206 N.C. 837, 175 S.E. 293 (1934).

Bonds Including Amount of Special Assessments. — Where a town has issued bonds for general street improvements under legislative authority, and includes the amount required for local improvements by assessment of owners of lands abutting a particular street improved, it may charge off from the proceeds of the sale of the bonds the estimated amount to be realized by the special assessments. Brown v. Town of Hillsboro, 185 N.C. 368, 117 S.E. 41 (1923).

§ 159-56. Publication of bond order as introduced. — After the introduction of the bond order, the clerk shall publish it once with the following statement appended:

"The foregoing order has been introduced and a sworn statement of debt has been filed under the Local Government Bond Act showing the appraised value of the [issuing unit] to be $ . . . . . and the net debt thereof, including the proposed bonds, to be $ . . . . . A tax will [may] be levied to pay the principal of and interest on the bonds if they are issued. Anyone who wishes to be heard on the questions of the validity of the bond order and the advisability of issuing the bonds may appear at a public hearing or an adjournment thereof to be held at . . . . . .

. . . . . .
Clerk"

(1927, c. 81, s. 16; 1971, c. 780, s. 1.)

Editor's Note. — The case cited in the following note was decided under former statutory provisions similar to this section.

The proper publication of the notices is mandatory, and cannot be dispensed with. Frazier v. Board of Comm'rs, 194 N.C. 49, 138 S.E. 433 (1927).

Sufficiency of Publication. — The statute requiring notice to taxpayers, etc., of an opportunity to be heard before a county may issue bonds for various purposes, is sufficiently complied with if several orders of the county commissioners are published in the same advertisement and a date and place fixed for passing upon the objections made, if any, separately placed in the publication and distinctly referring to each of the separate purposes. Frazier v. Board of Comm'rs, 194 N.C. 49, 138 S.E. 433 (1927).

The publication of one statement in connection with three orders was sufficient as a compliance with the statute, a statement for each order not being necessary. Frazier v. Board of Comm'rs, 194 N.C. 49, 138 S.E. 433 (1927).

§ 159-56.1. Certain proceedings ratified notwithstanding provisions of § 159-56. — All proceedings heretofore taken by the governing boards of units of local government in connection with the authorization of bonds are hereby ratified, approved, confirmed and in all respects validated, notwithstanding the provisions of G.S. 159-56; provided that the issuance of said bonds, the indebtedness to be incurred by the issuance thereof and the levy of a tax for the payment thereof shall have been approved at an election by a majority of the qualified voters of the unit voting thereon. (1973, c. 1172.)

§ 159-57. Hearing; passage of bond order. — On the date fixed for the public hearing, which shall be not earlier than six days after the date of publication of the bond order as introduced, the board shall hear anyone who may wish to be heard on the question of the validity of the order or the advisability of issuing the bonds. The hearing may be adjourned from time to time.

After the hearing, (and on the same day as the hearing, if the board so desires) the board may pass the order as introduced, or as amended. No amendment may increase the amount of bonds to be issued, nor substantially change the purpose of the issue. If the board wishes to increase the amount of bonds to be issued,

or to substantially change the purpose of the issue, a new proceeding under this Article is required.

The provisions of any city charter, general law, or local act to the contrary notwithstanding, a bond order may be introduced at any regular or special meeting of the governing board and adopted at any such meeting by a simple majority of those present and voting, a quorum being present, and need not be published or subjected to any procedural requirements governing the adoption of ordinances or resolutions by the governing board other than the procedures set out in this Subchapter. Bond orders shall not be subject to the provisions of any city charter or local act concerning initiative and referendum. (1927, c. 81, s. 17; 1953, c. 1065, s. 1; 1971, c. 780, s. 1.)

§ 159-58. Publication of bond order as adopted. — After adoption, the clerk shall publish the bond order once, with the following statement appended:

"The foregoing order was adopted on the . . . . . day of . . . . . ., 19 . . . ., and is hereby published this . . . . . day of . . . . . ., 19 . . . . Any action or proceeding questioning the validity of the order must be begun within 30 days after the date of publication of this notice.

. . . . . .

Clerk"

(1917, c. 138, s. 20; 1919, c. 49, s. 1; c. 178, s. 3(20); C. S., s. 2944; 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1927, c. 81, s. 19; 1971, c. 780, s. 1.)

§ 159-59. Limitation of action to set aside order. — Any action or proceeding in any court to set aside a bond order, or to obtain any other relief, upon the ground that the order is invalid, must be begun within 30 days after the date of publication of the bond order as adopted. After the expiration of this period of limitation, no right of action or defense based upon the invalidity of the order shall be asserted, nor shall the validity of the order be open to question in any court upon any ground whatever, except in an action or proceeding begun within the period of limitation prescribed in this section. (1917, c. 138, s. 20; 1919, c. 49, s. 1; c. 178, s. 3(20); C. S., s. 2945; 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1927, c. 81, s. 20; 1971, c. 780, s. 1.)

Right to Test Constitutionality of Bond Issue Not Affected. — In construing former § 153-90, similar to this section, it was held that the statute did not prevent a suit to determine the constitutionality of the bond issue. Sessions v. Columbus County, 214 N.C. 634, 200 S.E. 418 (1939).

When the proposed bond issue contravened the Constitution, the requirement of former § 153-90, similar to this section, that actions to restrain issuance of bonds by counties must be instituted within 30 days of the first publication of notice of the adoption of the bond resolution, did not apply. Sessions v. Columbus County, 214 N.C. 634, 200 S.E. 418 (1939).

Contrary to Statutory Restrictions on Amount. — Where a board of county commissioners, under ordinance duly passed and hearing thereon had, were about to issue bonds for the necessary purpose of erecting a jail, etc., contrary to the restrictions of the former County Finance Act limiting the amount of bonds, a suit to restrain the issuance of the bonds was required to be commenced within 30 days after the publication of the required notice and order, and a suit instituted after the time prescribed could not be maintained and the validity of the bonds would be upheld. The question whether the former statute similar to this section was strictly one of limitation or a condition annexed to the cause of action was immaterial. Kirby v. Board of Comm'rs, 198 N.C. 440, 152 S.E. 165 (1930).

Suit Based on Irregularities in Bond Order and Ballot. — Action to enjoin issuance of hospital bonds and to restrain disbursement of county funds therefor on the ground of irregularities in the bond order and form of ballot was held precluded by former statutes similar to this section and § 159-62 because not instituted until after 30 days subsequent to the statement of the result of election. Rider v. Lenoir County, 236 N.C. 620, 73 S.E.2d 913 (1952).

Suit Based on Failure to File True Statement of County Debt. — Where taxpayers instituted an action attacking a bond order passed by the board of county commissioners on the ground that the commissioners had failed to comply with former § 153-84, requiring the filing of a true statement of the county debt, the attack upon the order was held to be upon

statutory as distinguished from constitutional grounds, and an action instituted more than 30 days after the first publication of the order could not be maintained. Garrell v. Columbus County, 215 N.C. 589, 2 S.E.2d 701 (1939).

§ 159-60. Petition for referendum on bond issue. — A petition demanding that a bond order be submitted to the voters may be filed with the clerk within 30 days after the date of publication of the bond order as introduced. The petition shall be in writing, and shall be signed by a number of voters of the issuing unit equal to not less than ten percent (10%) of the total number of voters registered to vote in elections of the issuing unit according to the most recent figures certified by the State Board of Elections. The residence address of each signer shall be written after his signature. The petition need not contain the text of the order to which it refers, and need not be all on one sheet.

The clerk shall investigate the sufficiency of the petition and present it to the governing board, with a certificate stating the results of his investigation. The governing board, after hearing any taxpayer who may request to be heard, shall thereupon determine the sufficiency of the petition, and its determination shall be conclusive.

This section does not apply to bonds issued pursuant to G.S. 159-48(a)(1), (2), (3), or (5). (1917, c. 138, s. 21; 1919, c. 49, ss. 1, 2; c. 178, s. 3(21); C. S., s. 2947; 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1927, c. 81, s. 20; c. 102, s. 2; 1971, c. 780, s. 1; 1973, c. 494, s. 8.)

Editor's Note. — The cases cited in the following note were decided under former statutory provisions similar to this section.

Bond Order Is Valid in Absence of Petition for Referendum. — Where no petition had been filed within the time prescribed, praying that a bond order duly passed by the board of commissioners of a county be submitted to the voters of the county, in accordance with the provisions of the former County Finance Act, the bond order was valid and effective, without the approval of the voters of the county. Hemric v. Board of Comm'rs, 206 N.C. 845, 175 S.E. 168 (1934).

But Approval of Voters Is Required if Petition Filed. — Where a petition was filed in accordance with the provisions of statute, praying that a bond order duly passed by the board of commissioners of a county, authorizing and directing the issuance of bonds of the county for the purpose of procuring money for the purchase, construction, improvement or equipment of schoolhouses required for the maintenance of a school in each of the districts of the county as required by the Constitution of the State, be submitted to the voters of the county, such bond order was not valid or effective until the same had been approved by the voters of the county as provided. Hemric v. Board of Comm'rs, 206 N.C. 845, 175 S.E. 168 (1934).

Restraining Issuance of Bonds. — Where the taxpayers of a county filed suit under this section to restrain the issuance of bonds until authorized by the qualified voters of the county, and there was a controversy as to whether the requisite 15% (now 10%) of qualified voters had been obtained to the petition, a temporary restraining order would be continued until the sufficiency of the petition could be determined. Scruggs v. Rollins, 207 N.C. 335, 177 S.E. 180 (1934).

§ 159-61. Bond referenda; majority required; notice of referendum; form of ballot; canvass. — (a) If a bond order is to take effect upon approval of the voters, the affirmative vote or a majority of those who vote thereon shall be required.

(b) The date of a bond referendum shall be fixed by the governing board, but shall not be more than one year after adoption of the bond order. The governing board may call a special referendum for the purpose of voting on a bond issue on any day, including the day of any regular or special election held for another purpose (unless the law under which the bond referendum or other election is held specifically prohibits submission of other questions at the same time). A special bond referendum may not be held within 30 days before or 10 days after a statewide primary, election, or referendum, or within 30 days before or 10 days after any other primary, election, or referendum to be held in the same unit

holding the bond referendum and already validly called or scheduled by law at the time the bond referendum is called. The clerk shall mail or deliver a certified copy of the resolution calling a special bond referendum to the board of elections that is to conduct it within three days after the resolution is adopted, but failure to observe this requirement shall not in any manner affect the validity of the referendum or bonds issued pursuant thereto. Bond referenda shall be conducted by the board of elections conducting regular elections of the county, city, or special district. In fixing the date of a bond referendum, the governing board shall consult the board of elections in order that the referendum shall not unduly interfere with other elections already scheduled or in process. Several bond orders or other matters may be voted upon at the same referendum.

(c) The clerk shall publish a notice of the referendum at least twice. The first publication shall be not less than 14 days and the second publication not less than seven days before the last day on which voters may register for the referendum. The notice shall state the date of the referendum, the maximum amount of the proposed bonds, the purpose of the bonds, a statement that taxes will or may be levied for the payment thereof, and a statement as to the last day for registration for the referendum under the election laws then in effect.

(d) The form of the question as stated on the ballot shall be in substantially the following words:

"Shall the order authorizing $ . . . . . bonds for (briefly stating the purpose) be approved?

[ ] YES

[ ] NO"

(e) The board of elections shall canvass the referendum and certify the results to the governing board. The governing board shall then certify and declare the result of the referendum and shall publish a statement of the result once, with the following statement appended:

"Any action or proceeding challenging the regularity or validity of this bond referendum must be begun within 30 days after . . . . . (date of publication)

. . . . . (title of governing board)"

The statement of results shall be filed in the clerk's office and inserted in the minutes of the board. (1917, c. 138, s. 22; 1919, c. 178, s. 3(22); c. 291; C. S., s. 2948; 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1927, c. 81, ss. 22, 23, 25-27, 29; 1949, c. 497, ss. 2, 4; 1953, c. 1065, ss. 1, 2; 1971, c. 780, s. 1; 1973, c. 494, s. 9.)

Editor's Note. — The cases cited in the following note were decided under former statutory provisions similar to this section.

Courts Favor Validity of Elections. — It is the general rule that every reasonable presumption will be indulged in favor of the validity of elections, and the courts will uphold the validity of municipal bond elections unless clear grounds are shown for invalidating them. Sykes v. Belk, 278 N.C. 106, 179 S.E.2d 439 (1971).

Necessity of Notice. — In Hill v. Skinner, 169 N.C. 405, 86 S.E. 351 (1915), it is said: "While, so far as the officers are concerned who are charged with the duty of giving notice, the requirement as to notice is imperative, yet it will be regarded, otherwise, as directory, if the result would not be changed by a departure from the provisions of the statute. The law looks more to the substance than to the form, and if it appears that a clear majority of the qualified voters have cast their votes in favor of the proposition submitted to them, and that there has been a fair and full opportunity for all to vote, and that there has been no fraud, and the election is in all respects free from taint of any sort, so that no well founded suspicion can be cast upon it, it would be idle to say that this free and untrammeled expression of the popular will should be disregarded and set aside." Board of Comm'rs v. C.M. Malone & Co., 179 N.C. 604, 103 S.E. 134 (1920).

When Election Held. — The requirement of former § 160-387, that a special bond election should not be held within one month before or after a regular municipal election, was mandatory, and the statutory period was to be computed by excluding the first and including

the last day thereof as provided in § 1-593. Adcock v. Town of Fuquay Springs, 194 N.C. 423, 140 S.E. 24 (1927).

Form of Ballot Directory. — There being nothing in the statute making the exact language essential to the validity of a ballot, and the words used carrying practically the same meaning the requirement is directory and not mandatory, and a substantial compliance is all that is necessary. Board of Comm'rs v. C.M. Malone & Co., 179 N.C. 604, 103 S.E. 134 (1920).

The statute permits the use of a broad and general ballot in bond elections. Sykes v. Belk, 278 N.C. 106, 179 S.E.2d 439 (1971).

Statement of Purpose. — The ordinance authorizing a bond sale and calling a special election must state the purpose in only brief and general terms. Sykes v. Belk, 278 N.C. 106, 179 S.E.2d 439 (1971).

Submission of More than One Question or Proposal at Same Election. — While former § 153-93 permitted the submission of more than one question or proposal in one and the same election, this contemplated questions authorized by law. Parker v. Anson County, 237 N.C. 78, 74 S.E.2d 338 (1953).

Ballot Held to Comply with Statute. — A ballot for a school bond election which stated the question submitted for approval or disapproval followed by a brief statement of the purposes for which the proceeds of the proposed bonds were to be used and that a tax would be levied to pay the principal and interest on the bonds in event of approval, followed by the word "Yes" and the word "No" and a square opposite each, with instructions as to how the ballot should be marked, was held to comply with former §§ 153-96 and 163-150, and the fact that the number of proposed projects necessarily resulted in a ballot somewhat longer than usual was not objectionable. Parker v. Anson County, 237 N.C. 78, 74 S.E.2d 338 (1953).

Misrepresentations made as to the site of a civic center, for whose construction a bond issue to be paid by taxes was proposed, did not vitiate the question as submitted to the voters in the bond issue election. Sykes v. Belk, 278 N.C. 106, 179 S.E.2d 439 (1971).

The result of an election as determined by the proper election officials shall stand until it shall be regularly contested and reversed by a tribunal having jurisdiction for that purpose. The court will not permit itself to be substituted for the proper election officials in the first instance for the purpose of canvassing the returns from the officers holding the election and declaring the result thereof. Garner v. Town of Newport, 246 N.C. 449, 98 S.E.2d 505 (1957).

Publication of Returns. — It is not necessary to the validity of an election that the returns be published, if it appears that no prejudice was sustained because of such failure. Board of Comm'rs v. C.M. Malone & Co., 179 N.C. 604, 103 S.E. 134 (1920).

Necessary Allegations in Suit to Restrain Issuance of Bonds for Irregularities in Election. — In an action to restrain the issuance of bonds on the ground of irregularities in the bond election, a complaint which failed to allege that the officers appointed to hold the election had reported the results thereof to the governing body of the municipality and that the governing body had canvassed the returns and judicially determined the result, as required by former § 160-387, was demurrable. Garner v. Town of Newport, 246 N.C. 449, 98 S.E.2d 505 (1957).

§ 159-62. Limitation on actions contesting validity of bond referenda. — Any action or proceeding in any court to set aside a bond referendum, or to obtain any other relief, upon the ground that the referendum is invalid or was irregularly conducted, must be begun within 30 days after the publication of the statement of the results of the referendum. After the expiration of this period of limitation, no right of action or defense based upon the invalidity of or any irregularity in the referendum shall be asserted, nor shall the validity of the referendum be open to question in any court upon any ground whatever, except in an action or proceeding begun within the period of limitation prescribed in this section. (1917, c. 138, s. 22; 1919, c. 178, s. 3(22); c. 291; C. S., s. 2948; 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1927, c. 81, s. 30; 1949, c. 497, s. 4; 1953, c. 1065, s. 2; 1971, c. 780, s. 1.)

Cross Reference. — As to suits to restrain issuance of bonds, see note to § 159-59.

§ 159-63. Repeal of bond orders. — A bond order may be repealed at any time before bonds or bond anticipation notes are issued thereunder. No

referendum is required on the repeal of any bond order, nor is a petition for any such referendum permitted. (1971, c. 780, s. 1.)

§ 159-64. Within what time bonds may be issued. — Bonds may be issued under a bond order at any time within seven years after the order takes effect. When the issuance of bonds under any bond order is prevented or prohibited by any order of any court, the period of time within which bonds may be issued under the bond order in litigation shall be extended by the length of time elapsing between the date of institution of the action or proceeding and the date of its final disposition. The General Assembly may at any time prior to the expiration of the maximum time period herein provided extend the time for issuing bonds under bond orders.

When any such extension is granted, no further approval of the voters shall be required. (1917, c. 138, s. 24; 1919, c. 178, s. 3(24); C. S., s. 2950; 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1927, c. 81, s. 32; 1939, c. 231, ss. 1, 2(d); 1947, c. 510, ss. 1, 2; 1949, c. 190, ss. 1, 2; 1951, c. 439, ss. 1, 2; 1953, c. 693, ss. 1, 3; 1955, c. 704, ss. 1, 2; 1969, c. 99; 1971, c. 780, s. 1; 1975, c. 545, s. 1.)

Editor's Note. — The 1975 amendment substituted "seven years" for "five years" in the first sentence. Section 2 of the 1975 amendatory act provides: "The provisions of this act shall apply to bonds authorized by bond orders which took effect from January 1, 1971, through the effective date of this act [June 11, 1975] or which take effect hereafter."

Session Laws 1975, c. 26, s. 1, amends this section by substituting "seven years" for "five years" in the first sentence. Session Laws 1975, c. 26, s. 2, provides that the act shall apply only to bonds authorized during the period Jan. 1, 1970, through Dec. 31, 1970.

Session Laws 1975, c. 546, s. 1, amends this section by substituting "eight years" for "five years" in the first sentence. Session Laws 1975, c. 546, s. 2, provides that the act shall apply only to bonds authorized during the period commencing March 1, 1968, and ending Dec. 31, 1969.

§ 159-65. Resolution fixing the details of the bonds. — After the bond order has been adopted, the board shall adopt a resolution fixing the details of the bonds. In fixing details of the bonds, the board is subject to these restrictions and directions:

(1) The maturity dates shall not exceed the maximum periods of usefulness prescribed by the Commission pursuant to G.S. 159-122.

(2) Bonds authorized by two or more bond orders may be consolidated into a single issue.

(3) Bonds of each issue shall mature in annual installments, the first of which shall be payable not more than three years after the date of the bonds, and the last within the maximum maturity period prescribed by regulation of the Commission under G.S. 159-122.

(4) No installment of any issue may be more than four times as great in amount as the smallest prior installment of the same issue.

(5) Bonds of each issue may be issued from time to time in series with different provisions for each series. Each series shall be deemed a separate issue for the purposes of this section.

(6) No bonds may be made payable on demand, but any bond may be made subject to redemption prior to maturity, with or without premium, on such notice and at such time or times and with such redemption provisions as may be stated therein. When any such bond shall have been validly called for redemption and provision shall have been made for the payment of the principal thereof, any redemption premium, and the interest thereon accrued to the date of redemption, interest thereon shall cease.

(7) The bonds may bear interest at such rate or rates, payable semiannually or otherwise, may be in such denominations, and may be made payable

in such kind of money and in such place or places within or without the State of North Carolina, as the board may determine.

Subdivisions (3) and (4) of this section shall not apply to bonds purchased by a State or federal agency. (1917, c. 138, s. 25; 1919, c. 178, s. 3(25); C. S., s. 2951; 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1933, c. 259, s. 1; 1951, c. 440, s. 1; 1953, c. 1206, s. 3; 1969, c. 686; 1971, c. 780, s. 1; 1973, c. 494, s. 10; cc. 883, 995.)

§ 159-66. Validation of former proceedings and actions. — (a) All proceedings and actions heretofore taken by the governing boards of units of local government and by the Local Government Commission to fix the details of bonds and to provide for the advertisement and sale thereof are hereby ratified, approved, confirmed and in all respects validated, notwithstanding the provisions of G.S. 159-65(4).

(b) This section shall apply to all bonds sold by the Local Government Commission between July 1, 1973, and February 18, 1974. (1973, c. 872, ss. 1, 2.)

§ 159-67. Procedures if a county votes to relocate the county seat. — Whenever the citizens of a county, by referendum, decide that the county's county seat, along with the courthouse and other county buildings and agencies, should be relocated, the board of county commissioners of that county shall forthwith begin discussions with the Local Government Commission concerning financing of the relocation. If bonds are to be issued for the relocation, or a financing agreement entered into, the board of commissioners shall apply to the Local Government Commission no later than 10 months after the day of the referendum. If a bond election is necessary, it shall be held no later than 22 months after the day of the referendum. (1975, c. 324, s. 5.)

Editor's Note. — This section was enacted by Session Laws 1975, c. 324, s. 5. The 1975 act appeared from its title to be a local act applicable only to Brunswick County and the provisions of the act other than s. 5 were expressly restricted to Brunswick County.

§§ 159-68 to 159-71: Reserved for future codification purposes.

Part 3. Funding and Refunding Bonds.

§ 159-72. Purposes for which funding and refunding bonds may be issued; when such bonds may be issued. — A unit of local government may issue funding or refunding bonds for the purposes listed in G.S. 159-48(a)(4), (5), (6), or (7). Funding or refunding bonds may be issued if the debt, judgment, or other obligation to be paid is payable at the time of the passage of the bond order or within one year thereafter, or if the debt or obligation to be refinanced is to be cancelled prior to its maturity and simultaneously with the issuance of the refunding bonds.

Except as expressly modified in this Part, funding and refunding bonds shall be issued under the limitations and procedures set out in Parts 1 and 2 of this Article. (1917, c. 138, s. 16; 1919, c. 178, s. 3(16); C. S., s. 2937; 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1927, c. 81, s. 8; 1929, c. 171, s. 1; 1931, c. 60, ss. 48, 54; 1933, c. 257, ss. 2-4; c. 259, ss. 1, 2; 1935, c. 302, ss. 1, 2; c. 484; 1939, c. 231, ss. 1, 2(c), 4(b); 1941, c. 147; 1943, c. 13; 1945, c. 403; 1947, cc. 520, 931; 1949, c. 354; c. 766, s. 3; c. 1270; 1953, c. 1065, s. 1; 1957, c. 266, s. 1; c. 856, s. 1; c. 1098, s. 16; 1959, c. 525; c. 1250, s. 2; 1961, c. 293; c. 1001, s. 2; 1965, c. 307, s. 2; 1967, c. 987, s. 2; c. 1001, s. 1; 1971, c. 780, s. 1; 1973, c. 494, s. 11.)

Editor's Note. — The cases cited in the following note were decided under former statutory provisions similar to this section.

Constitution Does Not Require Election on Refunding Bonds. — An ordinance authorizing the issuance of refunding bonds by a municipality need not be submitted to the voters. A municipal corporation does not contract a debt, within the meaning of N.C. Const., Art. V, § 4(2), when under statutory authority it issues bonds to refund bonds which at the date of the issuance of the refunding bonds are valid and enforceable obligations of the municipality. Bolich v. City of Winston-Salem, 202 N.C. 786, 164 S.E. 361 (1932).

Application of Statute Limiting Tax Rate of Municipality. — Defendant municipality proposed to issue refunding bonds to be exchanged for like amounts of the original bonds in the hands of the holders of the original indebtedness, the refunding bonds to be secured by all rights and powers of taxation which protected and formed a part of the obligation of the original bonds. It was held that the parties and the debt were the same and the transaction amounted in reality to an extension and renewal of the original bonds under legislative sanction, and an act of the legislature, passed after the issuance of the original bonds, limiting the tax rate of the municipality was inoperative as to the refunding bonds when the limitation therein imposed would prevent the payment of the refunding bonds according to their tenor, and the contention that even though the refunding bonds would not create a new debt, such debt would be evidenced by a new contract, and that therefore the refunding bonds would be subject to the limitation of the statute enacted prior to the issuance of the refunding bonds, was untenable. Bryson City Bank v. Town of Bryson City, 213 N.C. 165, 195 S.E. 398 (1938).

Ordinance provision that holders of proposed refunding bonds should be subrogated to all rights and powers of holders of refunded bonds is sanctioned by law, and such provision will enter into and become an integral part of the bonds when issued, with contractual force and effect, and may not be impaired by subsequent legislation. Bryson City Bank v. Town of Bryson City, 213 N.C. 165, 195 S.E. 398 (1938).

§ 159-73. Financing or refinancing agreements. — Each unit of local government is authorized to enter into agreements with the holders of its outstanding debts for the settlement, adjustment, funding, refunding, financing, or refinancing of the debt. Such an agreement may contain any provisions not inconsistent with law and before the unit may enter into it, it must be approved by the Commission. (1971, c. 780, s. 1.)

§ 159-74. Test cases testing validity of funding or refunding bonds. — At any time after the procedure for authorizing the issuance of funding or refunding bonds has been completed, but before the issuance of the bonds, the issuing unit may institute an action in the Superior Court Division of the General Court of Justice in the county in which all or any part of the unit lies, to determine the validity of the bonds and the validity of the means of payment provided therefor. The action shall be in rem, and shall be against all of the owners of taxable property within the unit and all citizens residing in the unit, but it shall not be necessary to name each such owner or citizen in the summons or complaint. Jurisdiction of all parties defendant shall be acquired by publication of a summons once a week for three successive weeks, and jurisdiction shall be complete within 20 days after the date of the last publication. Any interested party may intervene in the action. Except as otherwise provided by this section, the action shall be governed by the Rules of Civil Procedure. (1931, c. 186, ss. 4, 5; 1935, c. 290, ss. 1, 2; 1937, c. 80; 1971, c. 780, s. 1.)

Editor's Note. — The Rules of Civil Procedure are found in § 1A-1.

The case cited in the following note was decided under former statutory provisions similar to this section.

Constitutionality of Former Statute. — Former §§ 159-52 to 159-56 were not unconstitutional either on the ground that they conferred nonjudicial functions on the superior courts or on the ground that they denied due process of law to taxpayers or citizens of a local governmental unit, in violation of the provisions of the Fourteenth Amendment to the Constitution of the United States, or of Art. I, § 17, Const. 1868. Castevens v. Stanly County, 211 N.C. 642, 191 S.E. 739 (1937).

Proceeding in Rem. — The action authorized by former §§ 159-52 to 159-56 was in the nature of a proceeding in rem, and was adversary both in form and in substance. These sections

contemplated that issues both of law and of fact could be raised by pleadings duly filed, and that such issues should be determined by the court. The court had no power by virtue of these sections to validate bonds which were for any reason invalid. It had power only to determine whether or not on the facts as found by the court and under the law applicable to these facts, the bonds were valid. Castevens v. Stanly County, 211 N.C. 642, 191 S.E. 739 (1937).

Service of Summons by Publication Sufficient. — The contention that an owner of taxable property within the unit, or a citizen residing therein, may be deprived of his property, without due process of law, or contrary to the law of the land, by a decree or judgment in the action declaring or adjudging that bonds and the tax to be levied for their payment, are valid, because it is not required that his name shall appear in the summons or in the complaint, or that the summons shall be served on him personally, cannot be sustained. The action is declared by statute to be in the nature of a proceeding in rem. In such case, all persons included within a well-defined class may be made parties defendant, and service of summons by publication is sufficient, although such persons are not named in the summons. Castevens v. Stanly County, 211 N.C. 642, 191 S.E. 739 (1937).

If Published as Required by Statute. — See Castevens v. Stanly County, 211 N.C. 642, 191 S.E. 739 (1937).

§ 159-75. Judgment validating issue; costs of the action. — A final decree of the General Court of Justice validating funding or refunding bonds or the financing or refinancing agreement shall be conclusive as to the validity of the bonds or the agreement.

The costs of any action brought under G.S. 159-74 shall be borne by the issuing unit, including a reasonable attorney's fee for the attorney assigned by the court to defend the interests of the citizens and taxpayers in general. (1931, c. 186, ss. 6, 7; 1935, c. 290, s. 3; 1971, c. 780, s. 1; 1973, c. 494, s. 12.)

No Decree Can Be Issued Until Summons Properly Served. — No decree or judgment adverse to a taxpayer's rights can be rendered in an action instituted and prosecuted by a taxing unit to have a proposed funding bond issue declared valid, taxpayer and citizen of the unit has been lawfully served with summons, and until he has had ample opportunity to appear and file such pleadings as he may wish. If he has failed to avail himself of his constitutional rights, which are fully protected by the statute, he has no just ground of complaint that the court will not hear him when he invokes its aid after the decree or judgment has been finally rendered, and others have relied upon its protection. Castevens v. Stanly County, 211 N.C. 642, 191 S.E. 739 (1937), decided under former § 159-54.

§ 159-76. Validation of bonds and notes issued before March 26, 1931. — All bonds and notes issued before March 26, 1931, for which the issuing unit received an amount of money not less than the face amount of the bonds or notes and the proceeds of which have been spent for public purposes, and all bonds and notes subsequently issued to refund all or any portion of those bonds or notes, are hereby validated notwithstanding any lack of statutory authority or failure to observe any statutory provisions concerning the issuance of the bonds or notes. This section shall not validate any bonds or notes, the proceeds of which have been lost because of the failure of a bank. (1931, c. 186, s. 2; 1971, c. 780, s. 1; 1973, c. 494, s. 13.)

§ 159-77. Validation of all proceedings in connection with the authorization of bonds taken before April 28, 1975. — All proceedings heretofore taken by the governing boards of units of local government in connection with the authorization of bonds are hereby ratified, approved, confirmed and in all respects validated, notwithstanding the provisions of G.S. 159-61(c); provided that the issuance of said bonds shall have been approved at an election by a majority of the qualified voters of the unit voting thereon and that notice of said referendum shall have been published. (1975, c. 178.)

§§ 159-78, 159-79: Reserved for future codification purposes.

ARTICLE 5.

Revenue Bonds.

§ 159-80. Short title; repeal of local acts. — (a) This Article may be cited as "The Local Government Revenue Bond Act."

(b) It is the intent of the General Assembly by enactment of this Article to prescribe a uniform system of limitations upon and procedures for the exercise by all municipalities in North Carolina of the power to finance revenue bond projects through the issuance of revenue bonds and notes. To this end, all provisions of special, local, or private acts in effect as of July 1, 1973, authorizing the issuance of bonds or notes secured solely by the revenues of the projects for which the bonds or notes are issued or prescribing procedures therefor are repealed. No special, local or private act enacted or taking effect after July 1, 1973, may be construed to modify, amend, or repeal any portion of this Article unless it expressly so provides by specific reference to the appropriate section of this Article. (1971, c. 780, s. 1; 1973, c. 494, s. 14.)

Editor's Note. — For comment on the Revenue Bond Act of 1938, see 17 N.C.L. Rev. 370. For comment on the public purpose doctrine, see 3 Wake Forest Intra. L. Rev. 37 (1967).

The very purpose of the Revenue Bond Act of 1938 was to permit municipalities to engage in nongovernmental activities of a public nature by pledging the revenue derived from such undertakings to the payment of bonds issued in connection therewith. Thus the act avoided pledging the credit of the municipality to the payment of a debt, for by such arrangements no debt was incurred within the meaning of the Constitution. Britt v. City of Wilmington, 236 N.C. 446, 73 S.E.2d 289 (1952); Keeter v. Town of Lake Lure, 264 N.C. 252, 141 S.E.2d 634 (1965).

§ 159-81. Definitions. — The words and phrases defined in this section shall have the meanings indicated when used in this Article:

(1) "Municipality" means a county, city, town, incorporated village, sanitary district, metropolitan sewerage district, metropolitan water district, water and sewer authority, hospital authority, hospital district, parking authority, and airport authority but not any other form of local government.

(2) "Revenue bond" means a bond issued by a municipality pursuant to this Article.

(3) "Revenue bond project" means any undertaking for the acquisition, construction, reconstruction, improvement, enlargement, betterment, or extension of any one or combination of the following revenue-producing utility or public service enterprise facilities or systems owned or leased as lessee by the issuing unit:

a. Water systems or facilities, including all plants, works, instrumentalities and properties used or useful in obtaining, conserving, treating, and distributing water for domestic or industrial use, irrigation, sanitation, fire protection, or any other public or private use.

b. Sewage disposal systems or facilities, including all plants, works, instrumentalities, and properties used or useful in the collection, treatment, purification, or disposal of sewage.

c. Systems or facilities for the generation, production, transmission, or distribution of gas (natural, artificial, or mixed) or electric energy for lighting, heating, or power for public and private uses, where gas systems shall include the purchase and/or lease of natural gas fields and natural gas reserves and the purchase of natural gas supplies, and where any parts of such gas systems may be located either within the State or without.

d. Systems, facilities and equipment for the collection, treatment, or disposal of solid waste.
e. Public transportation systems, facilities, or equipment, including but not limited to bus, truck, ferry, and railroad terminals, depots, trackages, vehicles, and ferries, and mass transit systems.
f. Public parking lots, areas, garages, and other vehicular parking structures and facilities.
g. Aeronautical facilities, including but not limited to airports, terminals, and hangars.
h. Marine facilities, including but not limited to marinas, basins, docks, dry docks, piers, marine railways, wharves, harbors, warehouses, and terminals.
i. Hospitals and other health-related facilities.
j. Public auditoriums, gymnasiums, stadiums, and convention centers.
k. Recreational facilities.

The cost of an undertaking may include all property, both real and personal and improved and unimproved, plants, works, appurtenances, machinery, equipment, easements, water rights, air rights, franchises, and licenses used or useful in connection with any of the foregoing utilities and enterprises; the cost of demolishing or moving structures from land acquired and the cost of acquiring any lands to which such structures are to be moved; financing charges; the cost of plans, specifications, surveys, and estimates of cost and revenues; administrative and legal expenses; and any other expense necessary or incident to the project.

(4) "Revenues" include all moneys received by a municipality from, in connection with, or as a result of its ownership or operation of a revenue bond project or a utility or public service enterprise facility or system of which a revenue bond project is a part, including (to the extent deemed advisable by the municipality) moneys received from the United States of America, the State of North Carolina, or any agency of either, pursuant to an agreement with the municipality pertaining to the project. (Ex. Sess. 1938, c. 2, s. 2; 1939, c. 295; 1941, c. 207, s. 2; 1951, c. 703, s. 1; 1953, c. 901, ss. 4, 5; c. 922, s. 1; 1965, c. 997; 1969, c. 1118, s. 1; 1971, c. 780, s. 1; 1973, c. 494, s. 15; 1975, c. 821, s. 2.)

Editor's Note. — The 1975 amendment added the language beginning "where gas systems shall include" at the end of paragraph (3)c.

Session Laws 1975, c. 821, s. 6, contains a severability clause.

A revenue-producing enterprise is manifestly one which produces revenue, not necessarily one which produces profit or net revenue. George v. City of Asheville, 80 F.2d 50, 103 A.L.R. 568 (4th Cir. 1935), decided under former § 160-397.

§ 159-82. Purpose. — The purpose of this Article is to establish a standard, uniform procedure for the financing by a municipality of revenue bond projects through the issuance of revenue bonds. Its provisions are intended to vest authority in and enable municipalities to secure and pay revenue bonds and the interest thereon solely out of revenues without pledging the faith and credit of the municipality. (1971, c. 780, s. 1; 1973, c. 494, s. 16.)

§ 159-83. Powers. — (a) In addition to the powers it may now or hereafter have, each municipality shall have the following powers, subject to the provisions of this Article and of any revenue bond order or trust agreement securing revenue bonds:

(1) To acquire by gift, purchase, or exercise of the power of eminent domain, or to construct, reconstruct, improve, maintain, better, extend, and

operate, one or more revenue bond projects or any portion thereof without regard to location within or without its boundaries, upon determination by resolution of the governing board that a location wholly or partially outside its boundaries is necessary and in the public interest.

(2) To sell, exchange, transfer, assign, or otherwise dispose of any revenue bond project or portion thereof or interest therein determined by resolution of the governing board not to be required for any public purpose.

(3) To sell, furnish, and distribute the services, facilities, or commodities of revenue bond projects.

(4) To enter into contracts with any person, firm, or corporation, public or private, on such terms as the governing board may determine, with respect to the acquisition, construction, reconstruction, extension, betterment, improvement, maintenance, or operation of revenue bond projects, or the sale, furnishing, or distribution of the services, facilities, or commodities thereof.

(5) To borrow money for the purpose of acquiring, constructing, reconstructing, extending, bettering, improving, or otherwise paying the cost of revenue bond projects, and to issue its revenue bonds or bond anticipation notes therefor in the name of the municipality, but no encumbrance, mortgage, or other pledge of real property of the municipality may be created in any manner.

(6) To establish, maintain, revise, charge, and collect such rates, fees, rentals, tolls, or other charges, free of any control or regulation by the North Carolina Utilities Commission or any other regulatory body except as provided in G.S. 159-95 for the use, services, facilities, and commodities of or furnished by any revenue bond project, and to provide methods of collection of and penalties for nonpayment of such rates, fees, rentals, tolls, or other charges. The rates, fees, rentals, tolls, and charges so fixed and charged shall be such as will produce revenues at least sufficient with any other available funds to meet the expense of maintenance and operation of and renewals and replacements to the revenue bond project, including reserves therefor, to pay when due the principal, interest, and redemption premiums (if any) on all revenue bonds or bond anticipation notes secured thereby, and to fulfill the terms of any agreements made by the issuing municipality with the holders of revenue bonds issued to finance all or any portion of the cost of the project.

(7) To pledge all or part of any proceeds derived from the use of on-street parking meters to the payment of the cost of operating, maintaining, and improving parking facilities whether on-street or off-street, and the principal of and the interest on revenue bonds or bond anticipation notes issued for on-street or off-street parking facilities.

(8) To pledge to the payment of its revenue bonds or bond anticipation notes and interest thereon revenues from one or more revenue bond projects and any leases or agreements to secure such payment, including revenues from improvements, betterments, or extensions to such projects thereafter constructed or acquired as well as the revenues from existing systems, plants, works, instrumentalities, and properties of the projects to be improved, bettered, or extended.

(9) To appropriate, apply, or expend for the following purposes the proceeds of its revenue bonds, notes issued in anticipation thereof, and revenues pledged under any resolution or order authorizing or securing the bonds: (i) to pay interest on the bonds or notes and the principal or redemption price thereof when due; (ii) to meet reserves and other

requirements set forth in the bond order or trust agreement; (iii) to pay the cost of acquisition, construction, reconstruction, extension, or improvement of the revenue bond projects authorized in the bond order and to provide working capital for initial maintenance and operation until funds are available from revenues; (iv) to pay and discharge revenue bonds and notes issued in anticipation thereof; (v) to pay and discharge general obligation bonds issued under Article 4 of this Chapter, when the revenues of the project financed in whole or in part by the general obligation bonds will be pledged to the payment of the revenue bonds or notes.

(10) To make and enforce rules and regulations governing the use, maintenance, and operation of revenue bond projects.

(11) To accept gifts or grants of real or personal property, money, material, labor, or supplies for the acquisition, construction, reconstruction, extension, improvement, betterment, maintenance, or operation of any revenue bond project and to make and perform such agreements or contracts as may be necessary or convenient in connection with the procuring or acceptance of such gifts or grants.

(12) To accept loans, grants, or contributions from, and to enter into contracts and cooperate with the United States of America, the State of North Carolina, or any agency thereof, with respect to any revenue bond project.

(13) To enter on any lands, waters, and premises for the purpose of making surveys, borings, soundings, examinations, and other preliminary studies for constructing and operating any revenue bond project.

(14) To retain and employ consultants and other persons on a contract basis for rendering professional, financial, or technical assistance and advice.

(15) Subject to any provisions of law requiring voter approval for the sale or lease of utility or enterprise systems, to lease to or from any person, firm, or corporation, public or private, all or part of any revenue bond project, upon such terms and conditions and for such term of years, not in excess of 40 years, as the governing board may deem advisable to carry out the provisions of this Article, and to provide in such lease for the extension or renewal thereof and, if deemed advisable, for an option to purchase or otherwise lawfully acquire the project upon terms and conditions therein specified.

(16) To execute such instruments and agreements and to do all things necessary or convenient in the exercise of the powers herein granted, or in the performance of the covenants or duties of the municipality, or to secure the payment of its revenue bonds.

(b) Any contract, agreement, lease, deed, covenant, or other instrument or document evidencing an agreement or covenant between bondholders or any public agency and a municipality issuing revenue bonds with respect to any of the powers conferred in this section shall be approved by the Commission. (Ex. Sess. 1938, c. 2, s. 3; 1951, c. 703, ss. 2, 3; 1953, c. 922, s. 2; 1969, c. 1118, s. 2; 1971, c. 780, s. 1; 1973, c. 494, s. 17.)

Statute as Integral Part of Local Bond Issue. — See Keeter v. Town of Lake Lure, 264 N.C. 252, 141 S.E.2d 634 (1965), decided under former § 160-415.

Power of Municipalities to Purchase Hydroelectric Systems by Sale of Revenue Bonds. — The General Assembly by general enactment of the Revenue Bond Act of 1938 authorized municipalities to acquire by purchase revenue-producing properties of various kinds, including hydroelectric plants or systems or works or properties, and to finance such purchase with funds derived from the sale of revenue bonds, payable solely out of the revenues from the undertaking. Keeter v. Town of Lake Lure, 264 N.C. 252, 141 S.E.2d 634 (1965).

§ 159-84. Authorization of revenue bonds. — Each municipality is hereby authorized to issue its revenue bonds in such principal amount as may be necessary to provide sufficient moneys for the acquisition, construction, reconstruction, extension, betterment, improvement, or payment of the cost of one or more revenue bond projects, including engineering, inspection, legal, and financial fees and costs, working capital, interest on the bonds or notes issued in anticipation thereof during construction and, if deemed advisable by the municipality, for a period not exceeding two years after the estimated date of completion of construction, establishment of debt service reserves, and all other expenditures of the municipality incidental and necessary or convenient thereto.

Subject to agreements with the holders of its revenue bonds, each municipality may issue further revenue bonds and refund outstanding revenue bonds whether or not they have matured. Revenue bonds may be issued partly for the purpose of refunding outstanding revenue bonds and partly for any other purpose under this Article. Revenue bonds issued to refund outstanding revenue bonds shall be issued under this Article and not Article 4 of this Chapter. (1953, c. 692; 1969, c. 1118, s. 4; 1971, c. 780, s. 1.)

§ 159-85. Application to Commission for approval of revenue bond issue; preliminary conference; acceptance of application. — A municipality may not issue revenue bonds under this Article unless the issue is approved by the Local Government Commission. The governing board of the issuing municipality, or its duly authorized agent, shall file an application for Commission approval of the issue with the secretary of the Commission. The application shall state such facts and have attached to it such documents concerning the proposed revenue bonds and the financial condition of the issuing municipality and its utilities and enterprises as the secretary may require. The Commission may prescribe the form of the application.

Before he accepts the application, the secretary may require the governing board or its representatives to attend a preliminary conference at which time the secretary and his deputies may informally discuss the proposed issue and the timing of the steps to be taken in issuing the bonds.

After an application in proper form and order has been filed, and after a preliminary conference if one is required, the secretary shall notify the municipality in writing that the application has been filed and accepted for submission to the Commission. The secretary's statement shall be conclusive evidence that the municipality has complied with this section. (Ex. Sess. 1938, c. 2, s. 9; 1949, c. 1081; 1967, c. 555; 1969, c. 688, s. 2; 1971, c. 780, s. 1; 1973, c. 494, s. 18.)

§ 159-86. Approval of application by Commission. — (a) In determining whether a proposed revenue bond issue shall be approved, the Commission may consider:

(1) Whether the project to be financed from the proceeds of the revenue bond issue is necessary or expedient.
(2) Whether the proposed project is feasible.
(3) The unit's debt management procedures and policies.
(4) Whether the unit is in default in any of its debt service obligations.
(5) Whether the probable net revenues of the project to be financed will be sufficient to service the proposed revenue bonds.
(6) The ability of the Commission to market the proposed revenue bonds at reasonable rates of interest.

The Commission may inquire into and give consideration to any other matters that it may believe to have a bearing on whether the issue should be approved.

(b) The Commission shall approve the application if, upon the information and evidence it receives, it finds and determines:

(1) That the proposed revenue bond issue is necessary or expedient.

(2) That the amount proposed is adequate and not excessive for the proposed purpose of the issue.
(3) That the proposed project is feasible.
(4) That the unit's debt management procedures and policies are good, or that reasonable assurances have been given that its debt will henceforth be managed in strict compliance with law.
(5) That the proposed revenue bonds can be marketed at reasonable interest cost to the issuing unit. (1971, c. 780, s. 1.)

§ 159-87. Order approving or denying the application. — (a) After considering an application the Commission shall enter its order either approving or denying the application. An order approving an issue shall not be regarded as an approval of the legality of the bonds in any respect.

(b) If the Commission enters an order denying the application, the proceedings under this Article shall be at an end. (1971, c. 780, s. 1.)

§ 159-88. Adoption of revenue bond order. — At any time after the Commission approves an application for the issuance of revenue bonds, the governing board of the issuing municipality may adopt a revenue bond order pursuant to this Article.

Notwithstanding the provisions of any city charter, general law, or local act, a revenue bond order may be introduced at any regular or special meeting of the governing board and adopted at such a meeting by a simple majority of those present and voting, a quorum being present, and need not be published or subjected to any procedural requirements governing the adoption of ordinances or resolutions by the governing board other than the procedures set out in this Article. Revenue bond orders are not subject to the provisions of any city charter or local act concerning initiative or referendum. (1971, c. 780, s. 1; 1973, c. 494, s. 19.)

§ 159-89. Special covenants. — A revenue bond order or a trust agreement securing revenue bonds may contain covenants as to

(1) The pledge of all or any part of revenues received or to be received from the undertaking to be financed by the bonds, or the utility or enterprise of which the undertaking is to become a part.
(2) Rates, fees, rentals, tolls or other charges to be established, maintained, and collected, and the use and disposal of revenues, gifts, grants, and funds received or to be received.
(3) The setting aside of debt service reserves and the regulation and disposition thereof.
(4) The custody, collection, securing, investment, and payment of any moneys held for the payment of revenue bonds.
(5) Limitations or restrictions on the purposes to which the proceeds of sale of revenue bonds then or thereafter to be issued may be applied.
(6) Limitations or restrictions on the issuance of additional revenue bonds or notes; the terms upon which additional revenue bonds or notes may be issued and secured; or the refunding of outstanding or other revenue bonds.
(7) The procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the percentage of revenue bonds the bondholders of which must consent thereto, and the manner in which such consent may be given.
(8) Events of default and the rights and liabilities arising thereupon, the terms and conditions upon which revenue bonds issued under this Article shall become or may be declared due before maturity, and the terms and conditions upon which such declaration and its consequences may be waived.

(9) The preparation and maintenance of a budget with respect to the expenses of the municipality for the operation and maintenance of revenue bond projects.

(10) The retention or employment of consulting engineers, independent auditors, and other technical consultants in connection with revenue bond projects.

(11) Limitations on or the prohibition of free service by revenue bond projects to any person, firm, or corporation, public or private.

(12) The acquisition and disposal of property for revenue bond projects.

(13) Provisions for insurance and for accounting reports and the inspection and audit thereof.

(14) The continuing operation and maintenace of the revenue bond project or the utility or enterprise of which it is to become a part. (Ex. Sess. 1938, c. 2, s. 6; 1971, c. 780, s. 1.)

§ 159-90. Limitations on details of bonds. — In fixing the details of revenue bonds, the issuing municipality shall be subject to the following restrictions and directions:

(1) The maturity dates may not exceed the maximum maturity periods prescribed by the Commission for general obligation bonds pursuant to G.S. 159-122.

(2) No bonds may be made payable on demand, but any bond may be made subject to redemption prior to maturity, with or without premium, on such notice and at such time or times and with such redemption provisions as may be stated. When any such bond shall have been validly called for redemption and provision shall have been made for the payment of the principal thereof, any redemption premium, and the interest thereon accrued to the date of redemption, interest thereon shall cease.

(3) The bonds may bear interest at such rate or rates, payable semiannually or otherwise, may be in such denominations, and may be payable in such kind of money and in such place or places within or without the State of North Carolina, as the issuing municipality may determine. (Ex. Sess. 1938, c. 2, s. 5; 1949, c. 1081; 1967, c. 100, s. 1; c. 711, s. 2; 1969, c. 688, s. 1; 1971, c. 780, s. 1.)

§ 159-91. Lien of revenue bonds. — All revenue bonds issued under this Article shall be equally and ratably secured by a pledge, charge, and lien upon revenues provided for in the bond order, without priority by reason of number, or of dates of bonds, execution, or delivery, in accordance with the provisions of this Article and of the bond order; except that a municipality may provide in a revenue bond order that revenue bonds issued pursuant thereto shall to the extent and in the manner prescribed in the order or agreement be subordinated and junior in standing, with respect to the payment of principal and interest and the security thereof, to any other revenue bonds.

Any pledge made by a municipality pursuant to this Article shall be valid and binding from the date of final passage of the bond order upon the issuance of any bonds or bond anticipation notes thereunder. The revenues, securities, and other moneys so pledged and then held or thereafter received by the municipality or any fiduciary shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the municipality without regard to whether such parties have notice thereof. The bond order by which a pledge is created need not be filed or recorded in any manner other than as provided in this Subchapter. (1971, c. 780, s. 1.)

§ 159-92. Status of revenue bonds under Uniform Commercial Code. — Whether or not the revenue bonds and interest coupons appertaining thereto are of such form and character as to be investment securities under Article 8 of the Uniform Commercial Code as enacted in this State, all revenue bonds and interest coupons appertaining thereto issued under this Article are hereby made investment securities within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code as enacted in this State, subject only to the provisions of the bonds pertaining to registration. (1971, c. 780, s. 1.)

Editor's Note. — The Uniform Commercial Code is found in Chapter 25 of the General Statutes.

§ 159-93. Agreement of the State. — The State of North Carolina does pledge to and agree with the holders of any revenue bonds or revenue bond anticipation notes heretofore or hereafter issued by any municipality in this State that so long as any of such bonds or notes are outstanding and unpaid the State will not limit or alter the rights vested in the municipality at the time of issuance of the bonds or notes to establish, maintain, revise, charge, and collect such rates, fees, rentals, tolls, and other charges for the use, services, facilities, and commodities of or furnished by the revenue bond project in connection with which the bonds or notes, or bonds or notes refunded by the bonds or notes, were issued as shall produce revenues at least sufficient with other available funds to meet the expense of maintenance and operation of and renewals and replacements to such project, including reserves therefor, to pay when due the principal, interest, and redemption premiums (if any) of the bonds or notes, and to fulfill the terms of any agreements made with the bondholders or noteholders, nor will the State in any way impair the rights and remedies of the bondholders or noteholders until the bonds or notes and all costs and expenses in connection with any action or proceedings by or on behalf of the bondholders or noteholders, are fully paid, met, and discharged. (1971, c. 780, s. 1; 1973, c. 494, s. 20.)

§ 159-94. Limited liability of municipality. — Revenue bonds shall be special obligations of the municipality issuing them. The principal of and interest on revenue bonds shall not be payable from the general funds of the municipality, nor shall they constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of its property or upon any of its income, receipts, or revenues, except the funds which are pledged under the bond order authorizing the bonds. Neither the credit nor the taxing power of the municipality are pledged for the payment of the principal or interest of revenue bonds, and no holder of revenue bonds has the right to compel the exercise of the taxing power by the municipality or the forfeiture of any of its property in connection with any default thereon. Every revenue bond shall recite in substance that the principal of and interest on the bond is payable solely from the revenues pledged to its payment and that the municipality is not obligated to pay the principal or interest except from such revenues. (Ex. Sess. 1938, c. 2, s. 7; 1953, c. 922, s. 3; 1971, c. 780, s. 1.)

Indirect Invocation of Taxing Power. — Defendant municipality proposed to issue bonds to obtain funds for the construction of a municipal hydroelectric generating plant. The city owned and operated its own electric distributing system, and the proposed generating system was to be operated separate and apart therefrom. The resolution of the city authorizing the issuance of the bonds provided that they should be payable solely out of the revenues of the system and the bonds themselves are to contain like provision. It was held that the bonds were not a general indebtedness of the municipality and its taxing power could not be invoked to provide for their payment, and the provision that the city, if it should voluntarily elect to take energy from its generating system for its own uses, should pay

the cost of furnishing the energy so taken, which in no event should exceed a fair and reasonable charge therefor, did not indirectly provide for the invocating of the taxing power for the payment of the bonds. McGuinn v. City of High Point, 217 N.C. 449, 8 S.E.2d 462, 128 A.L.R. 608 (1940), decided under former § 160-419.

§ 159-95. Approval of State agencies required in certain instances. — The general design and plan of any revenue bond project undertaken for water systems of facilities or sewage disposal systems or facilities shall be subject to the approval of the Commission for Health Services or the State Environmental Management Commission to the same extent that such projects would be if they were not financed by revenue bonds, and the provisions of the revenue bond order shall be consistent with any requirements imposed on the project by the Commission for Health Services, or the State Environmental Management Commission. No revenue bond project for the acquisition or construction of systems or facilities for the generation, production, or transmission of gas or electric power may be undertaken by a municipality unless the municipality shall first obtain a certificate of convenience and necessity from the North Carolina Utilities Commission. (Ex. Sess. 1938, c. 2, s. 9; 1949, c. 1081; 1967, c. 555; 1969, c. 688, s. 2; 1971, c. 780, s. 1; 1973, c. 476, s. 128; c. 494, s. 21; c. 1262, s. 23.)

§ 159-96. Limitation on extraterritorial operation of enterprises financed by revenue bonds. — Each utility or public service enterprise listed in G.S. 159-81(3), if financed wholly or partially by revenue bonds issued under this Article, shall be owned or operated by the municipality for its own use and for the use of public and private consumers residing within its corporate limits. A utility or public service enterprise financed wholly or partially by revenue bonds, when operated primarily for the municipality's own use and for users within its corporate limits, may be operated incidentally for users outside its corporate limits. Provided, however, that revenue bonds may be issued for the purpose of financing in whole or in part mass transit systems and aeronautical facilities and marine facilities, notwithstanding that such systems or facilities may be operated for users outside the corporate limits of a municipality where the municipality finds that the system or facilities so financed would benefit the municipality. (1971, c. 780, s. 1; 1973, c. 1325.)

§ 159-97. Taxes for supplementing revenue bond projects. — (a) For the purpose of supplementing the revenues of a revenue bond project, as defined in this section, any county or city may covenant with, or may enter into an agreement with a municipality for the benefit of the holders of revenue bonds of the issuing municipality issued pursuant to this Article, whereby such county or city agrees to:

(1) Levy for the life of all revenue bonds issued in connection with the revenue bond project an annual property tax not in excess of the rate set forth in the question submitted to voters as hereinafter provided, such levy to be based upon the operating supplement requirement, as defined in this section, or

(2) Levy for the life of the revenue bonds in respect of which such tax is being levied an annual property tax not in excess of the rate required to pay the principal of and the interest on the agregate principal amount of revenue bonds set forth in the question submitted to the voters as hereinafter provided, such levy to be based upon the debt service reserve supplement requirement, as defined in this section.

When any such covenant has been made or any such agreement has been entered into, the issuing municipality shall determine, and, in those instances in which the issuing municipality is not also the taxing county or city, the issuing municipality shall certify to the governing board of the taxing county or city, by not later than June 1 of each fiscal year the amount required, determined

as hereinafter provided, to be raised by taxation by such county or city in the next fiscal year. The county or city is obligated to levy such tax only to the extent that an operating supplement requirement or a debt service reserve supplement requirement shall occur during the fiscal year preceding the fiscal year in which the tax is to be levied. In no event shall the county or city be required to levy a tax in excess of the rate required to be levied in accordance with the approval of the voters as provided in subsection (c). When any such tax is to be levied, the county or city shall include in its budget ordinance an appropriation to the issuing municipality or the appropriate fund, as the case may be, equal to the estimated yield of the tax levy, and shall pay such appropriation to the issuing municipality or transfer moneys to the appropriate fund in equal monthly installments unless another mutually satisfactory schedule of payments is agreed upon.

(b) A covenant made, or the pledge of an agreement entered into, by a county or city pursuant to this section shall be effected by the provisions of the revenue bond order or the trust agreement securing revenue bonds of the issuing municipality and where the issuing municipality is not also the taxing county or city a resolution of the county or city approving the appropriate provisions of the bond order or trust agreement relating to the pledge of the tax. If the taxing county or city is not the issuing municipality, it shall file an application for approval of the resolution with the secretary of the Commission in the manner provided in G.S. 159-149, and the Commission shall determine whether to approve the application as provided by G.S. 159-151 and 159-152; provided, however, that G.S. 159-148 and 159-150 shall have no application to this section.

(c) A covenant made, or agreement entered into, by a county or city pursuant to this section shall take effect only if approved by the affirmative vote of a majority of those who vote thereon in a referendum held in the taxing county or city. The referendum shall be called and held as provided in G.S. 159-61, except that

(1) The ballot proposition shall be in substantially one of the following forms:

Operating Supplement Requirement:

"Shall the (order or agreement) binding the (taxing county or city) to levy annually a tax on property not in excess of . . . . . cents on the one hundred dollars ($100.00) value of property subject to taxation for the purpose of supplementing the revenues of (revenue bond project) in instances where the gross revenues of the project are estimated to be less than the estimated total costs of the (i) current operating expenses of the project, (ii) amount required to maintain the debt service reserve by repaying any withdrawals therefrom in respect of all outstanding bonds issued in connection with the project and (iii) debt service on all outstanding bonds issued in connection with the project, all as defined in such (order or agreement), the proceeds of such tax to be used for the payment of the current operating expenses of the project so long as any revenue bonds issued therefor remain outstanding and unpaid, be approved?

[ ] Yes

[ ] No"

Debt Service Reserve Supplement Requirement:

"Shall the (order or agreement) binding the (taxing county or city) to levy annually, without limitation as to rate or amount, a tax on property subject to taxation for the purpose of supplementing the revenues of (revenue bond project) for maintaining the debt service reserve required by said (order or agreement) in connection with the issuance of not in excess of $ . . . . . revenue bonds of (the issuing

municipality), so long as any of such revenue bonds remain outstanding and unpaid, be approved?

[ ] Yes
[ ] No"

and

(2) The published statement of result shall have the following statement appended:

"Any action or proceeding challenging the regularity or validity of this supplemental tax referendum must be begun within 30 days after (date of publication).

. . . . . .

(title of governing board)."

(d) Any action or proceeding in any court to set aside a supplemental tax referendum held under this section, or to obtain any other relief, upon the ground that the referendum is invalid or was irregularly conducted, must be begun within 30 days after the publication of the statement of the result of the referendum. After the expiration of this period of limitation, no right of action or defense based upon the invalidity of or any irregularity in the referendum shall be asserted, nor shall the validity of the referendum be open to question in any court upon any ground whatever, except in an action or proceeding begun within the period of limitation prescribed in this subsection.

(e) An order or agreement submitted to and approved by the voters pursuant to this section may be repealed at any time before bonds are issued pursuant thereto.

(f) In instances where the taxing county or city is not the issuing municipality, such county or city may levy taxes as provided for in this section in respect of a revenue bond project located outside its corporate limits provided that such county or city is entitled by law to appoint one or more members of the governing body of such municipality.

(g) For the purposes of this section,

(1) A "revenue bond project" is limited, notwithstanding the provisions of G.S. 159-81, to (i) aeronautical facilities, including but not limited to airports, terminals and hangars, and (ii) hospitals and other health-related facilities within the meaning of said G.S. 159-81,

(2) An "operating supplement requirement" occurs when, as set forth in the budget prepared by the issuing municipality in respect of the revenue bond project, the estimated cost in the next succeeding fiscal year of the (i) current operating expenses of the revenue bond project, (ii) amount required to maintain the debt service reserve by repaying any withdrawals therefrom in respect of all outstanding bonds issued in connection with the revenue bond project, and (iii) debt service on all outstanding bonds issued in connection with the revenue bond project, are in excess of the pledged revenues of the revenue bond project for such fiscal year as estimated by the issuing municipality, excluding taxes levied pursuant to this section; provided, however, that the amount of the operating supplement requirement shall not exceed the total amount of the current operating expenses of the revenue bond project mentioned in clause (i) above, and

(3) A "debt service reserve supplement requirement" occurs when there have been withdrawn from the debt service reserve any moneys for the purpose of paying debt service on the bonds in respect of which the supplemental tax has been authorized by the voters; provided, however, that the amount of the debt service reserve supplement requirement shall not exceed the amount so withdrawn.

(h) Any covenant or agreement of a county or city made pursuant to this section, and the obligations assumed thereby, shall be excludable from the gross

debt of the county or city for purposes of the statement of debt mentioned in G.S. 159-55. (1973, c. 786, s. 1.)

ARTICLE 6.

§§ 159-98 to 159-119: Reserved for future codification purposes.

ARTICLE 7.

Issuance and Sale of Bonds.

§ 159-120. "Unit" defined. — As used in this Article, unless the context clearly requires another meaning, the words "unit" or "issuing unit" mean "unit of local government" as defined in G.S. 159-44 and "municipality" as defined in G.S. 159-81. (1973, c. 494, s. 30.)

§ 159-121. Coupon or registered bonds to be issued. — Bonds may be issued as (i) coupon bonds payable to bearer, (ii) coupon bonds registrable as to principal only or as to both principal and interest, or (iii) bonds without coupons registered as to both principal and interest. Each issuing unit may appoint or designate a bond registrar who shall be charged with the duty of attending to the registration and the registration of transfer of bonds. (1917, c. 138, s. 29; 1919, c. 178, s. 3(29); C. S., s. 2955; 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1927, c. 81, s. 36; 1971, c. 780, s. 1; 1973, c. 494, s. 22.)

§ 159-122. Maturities of bonds. — (a) Except as provided in this subsection, the last installment of each bond issue shall mature not later than the date of expiration of the period of usefulness of the capital project to be financed by the bond issue, computed from the date of the bonds. The last installment of a refunding bond issue issued pursuant to G.S. 159-48(a)(4) or (5) shall mature not later than either (i) the shortest period, but not more than 40 years, in which the debt to be refunded can be finally paid without making it unduly burdensome on the taxpayers of the issuing unit, as determined by the Commission, computed from the date of the bonds, or (ii) the end of the unexpired period of usefulness of the capital project financed by the debt to be refunded. The last installment of bonds issued pursuant to G.S. 159-48(a)(1), (2), (3), (6), or (7) shall mature not later than 10 years after the date of the bonds, as determined by the Commission. The last installment of bonds issued pursuant to G.S. 159-48(c)(5) shall mature not later than eight years after the date of the bonds, as determined by the Commission.

(b) The Commission shall by regulation establish the maximum period of usefulness of the capital projects for which units of local government may issue bonds, but no capital project may be assigned a period of usefulness in excess of 40 years.

(c) The determination of the Commission as to the classification of the capital projects for which a particular bond issue is authorized, and the Commission's determination of the maximum period of usefulness of the project, as evidenced by the secretary's certificate, shall be conclusive in any action or proceeding involving the validity of the bonds. (1917, c. 138, s. 18; 1919, c. 178, s. 3(18); C. S., s. 2942; 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1927, c. 81, s. 11; 1929, c. 170; c. 171, s. 2; 1931, c. 60, ss. 50, 56; cc. 188, 301; 1933, c. 259, ss. 1, 2; 1953, c. 1065, s. 1; 1957, c. 266, s. 2; 1967, c. 987, s. 3; c. 1001, s. 2; c. 1086, ss. 1, 2, 4, 5; 1969, cc. 475, 834; 1971, c. 780, s. 1; 1973, c. 494, s. 23.)

§ 159-123. Sale of bonds by sealed bids; private sales. — (a) Bonds issued by units of local government shall be sold by the Local Government Commission

after advertisment and upon sealed bids, except as otherwise authorized by subsection (b) of this section.

(b) The following classes of bonds may be sold at private sale:

(1) Bonds that a State or federal agency has previously agreed to purchase.

(2) Any bonds for which no legal bid is received within the time allowed for submission of bids.

(3) Revenue bonds.

(c) When the issuing unit wishes to have a private sale of bonds, the governing board shall adopt and file with the Commission a resolution requesting that the bonds be sold at private sale without advertisement to any purchaser or purchasers thereof, at such prices as the Commission determines to be in the best interest of the issuing unit, subject to the approval of the governing board of the issuing unit. Upon receipt of a resolution requesting private sale of bonds, the Commission may offer them to any purchaser or purchasers without advertisement, and may sell them at any price the Commission deems in the best interest of the issuing unit, subject to the approval of the governing board of the issuing unit.

(d) This section shall not apply to funding or refunding bonds when the governing board of the issuing unit and the holders of the debt to be funded or refunded have agreed to exchange the original obligations for new ones at the same or an adjusted rate of interest. (1931, c. 60, ss. 17, 19; c. 296, s. 1; 1933, c. 258, s. 1; 1969, c. 943; 1971, c. 780, s. 1.)

§ 159-124. Date of sale; notice of sale and blank proposal. — The date of sale shall be fixed by the secretary in consultation with the issuing unit. Prior to the sale date, the secretary shall take such steps as are most likely, in his opinion, to give notice of the sale to all potential bidders, taking into consideration the size and nature of the issue. Notice must include at least one publication in a recognized financial journal or local newspaper not less than five days before the sale date.

The secretary shall maintain a mailing list for notices of sale and blank proposals, and shall place thereon any person, firm, or corporation so requesting. Failure to send copies of notices and blank proposals to persons, firms, or corporations on the mailing list shall in no way affect the legality of the bonds.

The secretary shall prepare a notice of sale and blank proposal for bids for each bond issue required to be sold by sealed bids. The notice and blank proposal may be combined with such fiscal information as the secretary deems appropriate, and shall contain:

(1) A statement that the bonds are to be sold upon sealed bids without auction.

(2) The aggregate principal amount of the issue.

(3) The time and place of sale, the time within which bids must be received, the place to which bids must be delivered, and the time and place at which bids will be opened.

(4) Instructions for entering bids.

(5) Instructions as to the amount of bid deposit required, the form in which it is to be made, and the effect of failure of the bidder to comply with the terms of his bid. (1931, c. 60, s. 17; c. 296, s. 1; 1933, c. 256, s. 1; 1969, c. 943; 1971, c. 780, s. 1.)

§ 159-125. Bid instructions; bid deposit. — (a) Except for revenue bonds, no bid for less than the face value of the bonds plus accrued interest may be entertained.

Different rates of interest may be bid for bonds maturing in different years, but different rates of interest may not be bid for bonds maturing in the same year.

(b) Each bid shall be accompanied by a bid deposit equal to two percent (2%) of the aggregate principal amount of the bond issue. The bid deposit shall be made in a form approved by the Commission, and shall secure the issuing unit against loss resulting from the bidder's failure to comply with the terms of his bid. This subsection shall not apply to bids entered by a State or federal agency.

(c) When a State or federal agency has agreed to purchase the bonds at a stated rate of interest unless more favorable bids are received, bids may be entertained from other purchasers for less than all of the bonds. (1931, c. 60, ss. 17, 19; c. 296, s. 1; 1933, c. 258, s. 1; 1969, c. 943; 1971, c. 780, s. 1.)

§ 159-126. Rejection of bids. — No legal bid may be rejected unless all bids are rejected. All bids shall be rejected upon objection to award by an authorized representative of the issuing unit. If bids have been rejected, another notice of sale shall be given and further bids invited. (1931, ch. 60, s. 18; 1935, c. 356, s. 1; 1939, c. 231, s. 3; 1971, c. 780, s. 1.)

§ 159-127. Award of bonds. — All bids received pursuant to a public sale shall be opened in public on a date and at a time and place to be specified in the notice of sale. The bond shall be awarded to the bidder offering to purchase the bonds at the lowest interest cost to the issuing unit. In calculating such interest cost, the amount of any premium bid shall be deducted from the aggregate amount of interest on the entire issue until maturity. (1931, c. 60, s. 18; 1935, c. 356, s. 1; 1939, c. 231, s. 3; 1971, c. 780, s. 1.)

§ 159-128. Makeup and formal execution of bonds; temporary bonds. — The governing board of the issuing unit shall determine the form and manner of execution of the bonds, including any interest coupons to be attached thereto. The board may also provide for the authentication of the bonds by a trustee or fiscal agent. The board may authorize the use of facsimile signatures and seals on the bonds and coupons, if any, but at least one manual signature must appear on each bond (which may be the signature of the representative of the Commission to the Commission's certificate). Delivery of bonds executed in accordance with the board's determination shall be valid notwithstanding any change in officers or in the seal of the issuing unit occurring after the original execution of the bonds.

Before definitive bonds are prepared, the unit may issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when they have been executed and are available for delivery. (1917, c. 138, s. 28; 1919, c. 178, s. 3(28); C. S., 2954; 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1927, c. 81, s. 35; 1969, c. 29; 1971, c. 780, s. 1.)

§ 159-129. Obligations of units certified by Commission. — Each bond or bond anticipation note shall bear on its face or reverse a certificate signed by the secretary of the Commission or an assistant designated by him that the issuance of the bond or note has been approved under the provisions of the Local Government Bond Act or the Local Government Revenue Bond Act. The certificate shall be conclusive evidence that the requirements of this Subchapter have been observed, and no bond or note without the Commission's certificate shall be valid. (1931, c. 60, s. 22; c. 296, s. 2; 1971, c. 780, s. 1; 1973, c. 494, s. 24.)

Year Debt Contracted. — A county board of education's debt to the State Literary Fund was held to have been contracted during the fiscal year following that in which the county debt was reduced in accordance with N.C. Const., Art. V, § 4, even though the certificate of the secretary of the Local Government Commission was not executed within that time, since the certicate of the Local Government Commission is a detail not required by statute to be performed within any time limit, and the county accepted the offer to lend before the expiration of the fiscal year during which the increase in its indebtedness was permissible under the Constitution. Board of Educ. v. State Bd. of Educ., 217 N.C. 90, 6 S.E.2d 833 (1940), decided under former § 159-18.

§ 159-130. Record of issues kept. — The secretary shall make a record of all bonds and notes issued under this Subchapter, showing the name of the issuing unit, the amount, date, the time fixed for payment of principal and interest, the rate of interest, the place at which the principal and interest will be payable, the denominations, the purpose of issuance, the name of the board in which is vested the authority and power to levy taxes or raise other revenues for the payment of the principal and interest thereof, and a reference to the law under which the bonds or notes were issued. The clerk of the issuing unit shall file with the secretary copies of all proceedings of the board in authorizing the bonds or notes, his certificate that they are correctly recorded in a bound book of the minutes and proceedings of the board, and a notation of the pages or other identification of the exact portion of the book in which the records appear. (1931, c. 60, s. 23; 1971, c. 780, s. 1; 1973, c. 494, s. 25.)

§ 159-131. Contract for services to be approved by Commission. — Any contract or agreement made by any unit with any person, firm, or corporation for services to be rendered in drafting forms of proceedings for a proposed bond issue or a proposed issue of notes shall be void unless approved by the Commission. Before giving its certificate to bonds or notes, the Commission shall satisfy itself by such evidence as it may deem sufficient, that no unapproved contract is in effect. This section shall not apply to contracts and agreements with attorneys-at-law licensed to practice before the courts of the State within which they have their residence or regular place of business so long as the contracts or agreements involve only legal services. (1931, c. 60, s. 24; 1971, c. 780, s. 1; 1973, c. 494, s. 26.)

§ 159-132. State Treasurer to deliver bonds and remit proceeds. — When the bonds are executed, they shall be delivered to the State Treasurer who shall deliver them to the order of the purchaser and collect the purchase price or proceeds. The Treasurer shall then pay from the proceeds any notes issued in anticipation of the sale of the bonds, deduct from the proceeds the Commission's expense in connection with the issue, and remit the net proceeds to the official depository of the unit after assurance that the deposit will be adequately secured as required by law. The proceeds of funding or refunding bonds may be deposited at the place of payment of the indebtedness to be refunded or funded for use solely in the payment of such indebtedness. The proceeds of revenue bonds shall be remitted to the trustee or other depository specified in the trust agreement or resolution securing them. (1931, c. 60, s. 25; 1935, c. 356, s. 2; 1971, c. 780, s. 1.)

§ 159-133. Suit to enforce contract of sale. — The Commission may enforce in any court of competent jurisdiction any contract or agreement made by the Commission for the sale of any bonds or notes of a unit. (1931, c. 60, s. 26; 1971, c. 780, s. 1; 1973, c. 494, s. 27.)

§ 159-134. Fiscal agents. — An issuing unit may employ a bank or trust company either within or without this State as fiscal agent for the payment of installments of principal and interest on the bonds, and for the destruction of paid or cancelled bonds and coupons, and may pay reasonable fees for this service not in excess of maximum rates to be fixed by regulation of the Commission. (1971, c. 780, s. 1.)

§ 159-135. Application of proceeds. — After payment of any notes issued in anticipation of the sale of the bonds and after payment of the cost of preparing, marketing, and issuing the bonds, the proceeds of the sale of a bond issue shall be applied only to the purposes for which the issue was authorized. Any excess amount which for any reason is not needed for any such purpose shall be applied either (i) toward the purchase and retirement of bonds of that

issue at not more than their face value and accrued interest, or (ii) toward payment of the earliest maturing installments of that issue, or (iii) in accordance with any trust agreement or resolution securing the bonds. (1917, c. 138, s. 31; 1919, c. 178, s. 3(31); C. S., s. 2957; 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1927, c. 81, s. 38; 1971, c. 780, s. 1; 1973, c. 494, s. 28.)

Cross Reference. — As to authority to invest idle funds, see § 159-30.

Editor's Note. — The cases cited in the following note were decided under former statutory provisions similar to this section.

Law Authorizing Bond Issue Need Not Declare Proportion of Proceeds Applicable to Each Specific Purpose. — A law authorizing a bond issue for various purposes which does not declare what proportion of the proceeds of the bonds shall be applied to each specific purpose is not void. Such matter may properly rest within the sound discretion of the municipal authorities. Coggins v. City of Asheville, 278 N.C. 428, 180 S.E.2d 149 (1971).

"Corporate Purpose". — A definition of corporate purpose cannot be static. Changing conditions require that application of the limitations be tempered with due recognition of the existing situation so the purpose for which the public body was organized may be accomplished and enjoyment thereof by the public made possible. Coggins v. City of Asheville, 278 N.C. 428, 180 S.E.2d 149 (1971).

Right to Transfer and Allocate Funds. — Former § 153-107, relating to application of proceeds of county bonds, did not place a limitation upon the legal right to transfer or allocate funds from one project to another included within the general purpose for which bonds were issued. The inhibition contained in the statute was to prevent funds obtained for one general purpose being transferred and used for another general purpose. For example, the statute prohibited the use of funds derived from the sale of bonds to erect, repair and equip school buildings, from being used to erect or repair a courthouse or a county home, or similar project. Atkins v. McAden, 229 N.C. 752, 51 S.E.2d 484 (1949); Mauldin v. McAden, 234 N.C. 501, 67 S.E.2d 647 (1951).

While the municipality has a limited authority, under certain conditions, to transfer or allocate funds from one project to another, included within the general purpose for which bonds are authorized, the transfer must be to a project included in the general purpose as stated in the bond resolution, and the funds may be diverted to the proposed purposes only in the event the municipality finds in good faith that conditions have so changed since the bonds were authorized that proceeds therefrom are no longer needed for the original purpose. Coggins v. City of Asheville, 278 N.C. 428, 180 S.E.2d 149 (1971).

Effect of Bond Order. — A bond order is not required to set out in detail the estimates of cost and descriptions of the particular projects for which the funds are proposed to be used, and their inclusion does not limit the allocation of the proceeds of the bonds, provided the use of the funds falls within the general purpose designated. Atkins v. McAden, 229 N.C. 752, 51 S.E.2d 484 (1949). See also note to § 159-54.

Court Will Not Interfere with Exercise of Discretionary Powers of Municipality. — With respect to the use of bond money, the court will not interfere with the exercise of discretionary powers of a municipal corporation unless its actions are so unreasonable and arbitrary as to amount to an abuse of discretion. Coggins v. City of Asheville, 278 N.C. 428, 180 S.E.2d 149 (1971).

Immaterial or Temporary Changes Consistent with General Purpose Not Unlawful. — While the law will not justify the use of the proceeds of a State or municipal bond issue for purposes other than those specified in the act authorizing the issue, it does not follow that immaterial or temporary changes consistent with the general purpose of the legislative act should be interpreted as unlawful diversions of public funds. Coggins v. City of Asheville, 278 N.C. 428, 180 S.E.2d 149 (1971).

Nor Are Changes Necessary under Existing Conditions to Accomplish General Purpose. — It is worthy of note that the cases on the use of bond money emphasize "deviation from the general purpose for which bonds are authorized" and do not outlaw such changes as are necessary under existing conditions to accomplish the general purpose. Coggins v. City of Asheville, 278 N.C. 428, 180 S.E.2d 149 (1971).

Emphasis Is Placed on Final Result to Be Accomplished. — In construing statutory limitations upon the use of bond money for public improvements, emphasis is placed on the final result sought to be accomplished. Coggins v. City of Asheville, 278 N.C. 428, 180 S.E.2d 149 (1971).

Minor Changes Are Expected If Conditions Change. — Bond ordinances are passed authorizing indebtedness for certain stated purposes. When an authorizing vote is required, the bond money is earmarked for the stated purposes. However, in planning large permanent improvements the governing authorities look ahead to the future fulfillment of the construction plans. The authorities will inspect and examine the work as it progresses and minor changes from time to time are

expected if conditions change and unforeseen developments occur. Coggins v. City of Asheville, 278 N.C. 428, 180 S.E.2d 149 (1971).

Erection of Consolidated School Instead of Remodeling Old School. — Where a bond issue for the remodeling of the old school buildings in a county administrative unit was duly approved by the voters in an election, it was held that the board of county commissioners had the legal authority to allocate funds from this bond issue to the erection of a proposed consolidated high school, since this was not a change which involved any change of purpose for which the bonds were issued, but was only a change in the manner or method of accomplishing the original purpose. Feezor v. Siceloff, 232 N.C. 563, 61 S.E.2d 714 (1950).

§ 159-136. Issuing unit to make and report debt service payments. — The finance officer of each unit having outstanding bonds or notes shall remit the funds necessary for the payment of maturing installments of principal and interest on the bonds or notes to the fiscal agent or agreed upon place of payment in sufficient time for the payment thereof, together with the agreed upon fiscal agency fees, and shall at the same time report the payment to the secretary on forms to be provided by the Commission. (1931, c. 60, s. 27; 1971, c. 780, s. 1.)

§ 159-137. Lost, stolen, defaced, or destroyed bonds or notes. — (a) If lost, stolen, or completely destroyed, any bond, note, or coupon may be reissued in the same form and tenor upon the owner's furnishing to the satisfaction of the secretary and the issuing unit: (i) proof of ownership, (ii) proof of loss or destruction, (iii) a surety bond in twice the face amount of the bond or note and coupons, and (iv) payment of the cost of preparing and issuing the new bond, note, or coupons.

(b) If defaced or partially destroyed, any bond, note, or coupon may be reissued in the same form and tenor to the bearer or registered holder, at his expense, upon surrender of the defaced or partially destroyed bond, note, or coupon and on such other conditions as the Commission may prescribe. The Commission may also provide for authentication of defaced or partially destroyed bonds, notes, or coupons instead of reissuing them.

(c) Each new bond, note, or coupon issued under this section shall be signed by the officers of the issuing unit who are in office at the time, or by the State Treasurer if the unit no longer exists, and shall contain a recital to the effect that it is issued in exchange for or replacement of a certain bond, note, or coupon (describing it sufficiently to identify it) and is to be deemed a part of the same issue as the original bond, note, or coupon. (1935, c. 292, ss. 1, 2; 1939, c. 259; 1971, c. 780, s. 1.)

§ 159-138. Cancellation of bonds and notes. — Each bond or note and coupon shall be cancelled when (i) it is paid, or (ii) it is acquired by the issuing unit in any manner other than purchase for investment. A full report of the cancellation of all bonds, notes, and coupons shall be made to the secretary on forms provided by the Commission. (1931, c. 60, s. 27; 1939, c. 356; 1971, c. 780, s. 1.)

§ 159-139. Destruction of cancelled bonds, notes, and coupons. — All cancelled bonds, notes, and interest coupons of a unit may be destroyed in one of the following ways, in the discretion of the governing board:

(1) Method 1. — The finance officer shall make an entry in a substantially bound book kept by him for the purpose of recording the destruction of bonds, notes, and coupons, showing
   a. With respect to bonds and notes, the purpose of issuance, the date of issue, serial numbers (if any), denomination, maturity date, and total principal amount.
   b. With respect to coupons, the purpose of issue and date of the bonds to which the coupons appertain, the maturity date of the coupons

and, as to each maturity date, the denomination, quantity, and total amount of coupons.

After this entry has been made, the paid bonds, notes, and coupons shall be destroyed by either burning or shredding, in the presence of the mayor or chairman of the governing board, the finance officer, the unit's attorney, and the clerk to the governing board, or any three of them, each of whom shall certify under his hand in the book kept by the finance officer that he saw the bonds and coupons destroyed. Cancelled bonds, notes, or coupons shall not be destroyed until after one year from the date of payment.

(2) Method 2. — The governing board may contract with the bank or trust company acting as fiscal agent for a bond issue for the destruction of bonds and interest coupons which have been cancelled by the fiscal agent. The contract shall require that the fiscal agent give the unit a written certificate of each destruction containing the same information required by Method 1 to be entered in the record of destroyed bonds and coupons. The certificates shall be filed among the permanent records of the finance officer's office. Cancelled bonds or coupons shall not be destroyed until one year from the date of payment.

The provisions of G.S. 121-5 and 132-3 shall not apply to paid bonds, notes, and coupons. (1941, cc. 203, 293; 1961, c. 663, ss. 1, 2; 1963, c. 1172, ss. 1, 2; 1971, c. 780, s. 1; 1973, c. 494, s. 29.)

§§ 159-140 to 159-147: Reserved for future codification purposes.

Article 8.

Financing Agreements.

§ 159-148. Contracts subject to Article; exceptions. — (a) Except as provided in subsection (b) of this section, this Article applies to any contract, agreement, memorandum of understanding, and any other transaction having the force and effect of a contract (other than agreements made in connection with the issuance of revenue bonds or of general obligation bonds additionally secured by a pledge of revenues) made or entered into by a unit of local government (as defined by G.S. 159-7(b)), relating to the lease, acquisition, or construction of capital assets, which contract

(1) Extends for five or more years from the date of the contract, including periods that may be added to the original term through the exercise of options to renew or extend, and

(2) Obligates the unit to pay sums of money to another, without regard to whether the payee is a party to the contract, and

(3) Obligates the unit over the full term of the contract, including periods that may be added to the original term through the exercise of options to renew or extend, to the extent of five hundred thousand dollars ($500,000) or a sum equal to one tenth of one percent (1/10 of 1%) of the appraised value of property subject to taxation by the contracting unit (before the application of any assessment ratio), whichever is less, and

(4) Obligates the unit, expressly or by implication, to exercise its power to levy taxes either to make payments falling due under the contract, or to pay any judgment entered against the unit as a result of the unit's breach of the contract.

Contingent obligation shall be included in calculating the value of the contract. Several contracts that are all related to the same undertaking shall be deemed a single contract for the purposes of this Article. When several contracts are considered as a single contract, the term shall be that of the contract having

the longest term, and the sums to fall due shall be the total of all sums to fall due under all single contracts in the group.

(b) This Article shall not apply to:

(1) Contracts between a unit of local government and the State of North Carolina or the United States of America (or any agency of either) entered into as a condition to the making of grants or loans to the unit of local government.

(2) Contracts for the purchase, lease, or lease with option to purchase of motor vehicles or voting machines. (1971, c. 780, s. 1; 1973, c. 494, s. 31.)

§ 159-149. Application to Local Government Commission for approval of contract. — A unit of local government may not enter into any contract subject to this Article unless it is approved by the Local Government Commission as evidenced by the secretary's certificate thereon. Any contract subject to this Article that does not bear the secretary's certificate thereon shall be void, and it shall be unlawful for any officer, employee, or agent of a unit of local government to make any payments of money thereunder. Before executing a contract subject to this Article, the governing board of the contracting unit shall file an application for Commission approval of the contract with the secretary of the Commission. The application shall state such facts and have attached to it such documents concerning the proposed contract and the financial condition of the contracting unit as the secretary may require. The Commission may prescribe the form of the application.

Before he accepts the application, the secretary may require the governing board or its representatives to attend a preliminary conference at which time the secretary and his deputies may informally discuss the proposed contract.

After an application in proper form and order has been filed, and after a preliminary conference if one is required, the secretary shall notify the unit in writing that the application has been filed and accepted for submission to the Commission. The secretary's statement shall be conclusive evidence that the unit has complied with this section. (1971, c. 780, s. 1.)

§ 159-150. Sworn statement of debt; debt limitation. — After or at the time an application is filed under G.S. 159-149, the finance officer, or some other officer designated by the board, shall prepare, swear to, and file with the secretary and for public inspection in the office of the clerk to the board a statement of debt in the same form prescribed in G.S. 159-55 for statements of debt filed in connection with general obligation bond issues. The sums to be included in gross debt and the deductions therefrom to arrive at net debt shall be the same as prescribed in G.S. 159-55, except that sums to fall due under contracts subject to this Article shall be treated as if they were evidenced by general obligation bonds of the unit.

No contract subject to this Article may be executed if the net debt of the contracting unit, after execution of the contract, would exceed eight percent (8%) of the appraised value of property subject to taxation by the contracting unit before the application of any assessment ratio. (1971, c. 780, s. 1.)

§ 159-151. Approval of application by Commission. — (a) In determining whether a proposed contract shall be approved, the Commission may consider:

(1) Whether the undertaking is necessary or expedient.

(2) The nature and amount of the outstanding debt of the contracting unit.

(3) The unit's debt management procedures and policies.

(4) The unit's tax and special assessments collection record.

(5) The unit's compliance with the Local Government Budget and Fiscal Control Act.

(6) Whether the unit is in default in any of its debt service obligations.

(7) The unit's present tax rates, and the increase in tax rate, if any, necessary to raise the sums to fall due under the proposed contract.

(8) The unit's appraised and assessed value of property subject to taxation.

(9) The ability of the unit to sustain the additional taxes necessary to perform the contract.

(10) If the proposed contract is for utility or public service enterprise, the probable net revenues of the undertaking to be financed and the extent to which the revenues of the utility or enterprise, after addition of the revenues of the undertaking to be financed, will be sufficient to meet the sums to fall due under the proposed contract.

(11) Whether the undertaking could be financed by a bond issue, and the reasons and justifications offered by the contracting unit for choosing this method of financing rather than a bond issue.

The Commission shall have authority to inquire into and to give consideration to any other matters that it may believe to have bearing on whether the contract should be approved.

(b) The Commission shall approve the application if, upon the information and evidence it receives, it finds and determines:

(1) That the proposed contract is necessary or expedient.

(2) That the contract, under the circumstances, is preferable to a bond issue for the same purpose.

(3) That the sums to fall due under the contract are adequate and not excessive for its proposed purpose.

(4) That the unit's debt management procedures and policies are good, or that reasonable assurances have been given that its debt will henceforth be managed in strict compliance with law.

(5) That the increase in taxes, if any, necessary to meet the sums to fall due under the contract will not be excessive.

(6) That the unit is not in default in any of its debt service obligations.

The Commission need not find all of these facts and conclusions if it concludes that (i) the proposed project is necessary and expedient, (ii) the proposed undertaking cannot be economically financed by a bond issue and (iii) the contract will not require an excessive increase in taxes.

If the Commission tentatively decides to deny the application because it cannot be supported from the information presented to it, it shall so notify the unit filing the information. If the unit so requests, the Commission shall hold a public hearing on the application at which time any interested persons shall be heard. The Commission may appoint a hearing officer to conduct the hearing and to present a summary of the testimony and his recommendation for the Commission's consideration. (1971, c. 780, s. 1; 1973, c. 494, s. 32.)

§ 159-152. Order approving or denying the application. — (a) After considering an application, and conducting a public hearing thereon if one is requested under G.S. 159-151, the Commission shall enter its order either approving or denying the application. An order approving an application shall not be regarded as an approval of the legality of the contract in any respect.

(b) If the Commission enters an order denying an application, the proceedings under this Article shall be at an end. (1971, c. 780, s. 1.)

§§ 159-153 to 159-159: Reserved for future codification purposes.

ARTICLE 9.

Bond Anticipation, Tax, Revenue and Grant Anticipation Notes.

Part 1. Bond Anticipation Notes.

§ 159-160. "Unit" defined. — As used in this Part, the words "unit" or "issuing unit" mean "unit of local government" as defined in G.S. 159-44 and "municipality" as defined in G.S. 159-81. (1973, c. 494, s. 36.)

§ 159-161. Bond anticipation notes. — At any time after a bond order has taken effect and with the approval of the Commission, the issuing unit may borrow money for the purposes for which the bonds are to be issued, in anticipation of the receipt of the proceeds of the sale of the bonds, and within the maximum authorized amount of the bond issue. General obligation bond anticipation notes shall be payable not later than five years after the time the bond order takes effect and shall not be renewed or extended beyond such time, except that if the issuance of bonds under the bond order is prevented or prohibited by any order of any court, the bond anticipation notes may be renewed or extended by the length of time elapsing between the date of institution of the action or proceeding and the date of its final disposition. Any extension of the time for issuing bonds under a bond order granted by act of the General Assembly pursuant to G.S. 159-64 shall also extend the time for issuing and paying notes under this section for the same period of time. (1917, c. 138, ss. 13, 14; 1919, c. 178, s. 3(13), (14); C. S., ss. 2934, 2935; 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1927, c. 81, s. 39; 1931, c. 293; 1939, c. 231, s. 1; 1953, c. 693, ss. 2, 4; 1969, c. 687, s. 3; 1971, c. 780, s. 1; 1973, c. 494, s. 33.)

Prerequisite to Issuance of Bond Anticipation Note. — No valid bond anticipation note may be issued unless authority exists for the issuance of bonds to provide funds to pay the note. Barbour v. Carteret County, 255 N.C. 177, 120 S.E.2d 448 (1961), decided under former § 153-108.

§ 159-162. Security of general obligation bond anticipation notes. — The faith and credit of the issuing unit are hereby pledged for the payment of each note issued in anticipation of the sale of general obligation bonds according to its terms, and the power and obligation of the issuing unit to levy taxes and raise other revenues for the prompt payment of such notes shall be unrestricted as to rate or amount, notwithstanding any other provisions of law. The proceeds of each general obligation bond issue are also hereby pledged for the payment of any notes issued in anticipation of the sale thereof, and any such notes shall be retired from the proceeds of the bonds as the first priority. In the discretion of the governing board, notes issued in anticipation of the sale of general obligation bonds may be paid from current revenues or other funds instead of from the bond proceeds, but if this is done, the bond order shall be amended to reduce the aggregate authorized principal amount by the amount of the bond anticipation notes and accrued interest thereon. Such an amendment need not be published and shall take effect upon its passage. (1971, c. 780, s. 1.)

§ 159-163. Security of revenue bond anticipation notes. — Notes issued in anticipation of the sale of revenue bonds are hereby declared special obligations of the issuing unit. Neither the credit nor the taxing power of the issuing unit may be pledged for the payment of notes issued in anticipation of the sale of revenue bonds, and no holder of a revenue bond anticipation note shall have the right to compel the exercise of the taxing power by the issuing unit or the forfeiture of any of its property in connection with any default thereon. Notes issued in anticipation of the sale of revenue bonds shall be secured by the same pledges, charges, liens, covenants, and agreements made to secure the revenue

bonds. In addition, the proceeds of each revenue bond issue are hereby pledged for the payment of any notes issued in anticipation of the sale thereof, and any such notes shall be retired from the proceeds of the sale as the first priority. (1971, c. 780, s. 1.)

§ 159-164. Negotiable notes to be issued. — Bond anticipation loans shall be evidenced by negotiable notes which are hereby declared to be investment securities within the meaning of Article 8 of the Uniform Commercial Code as enacted in this State. Bond anticipation notes may be renewed or extended from time to time, but not beyond the time period allowed in G.S. 159-161. The governing board may authorize the issuance of bond anticipation notes by resolution which shall fix the maximum aggregate principal amount of the notes and may authorize any officer to fix, within the limitations prescribed by the resolution, the rate of interest, the place or places of payment, and the denomination or denominations of the notes. The notes shall be signed with the manual or facsimile signatures of officers designated by the governing board for that purpose, but at least one manual signature must appear on each note (which may be the signature of the representative of the Commission to the Commission's certificate). The resolution shall specify the form and manner of execution of the notes. (1917, c. 138, ss. 13, 14; 1919, c. 178, s. 3(13), (14); C. S., ss. 2934, 2935; 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1927, c. 81, s. 39; 1931, c. 293; 1939, c. 231, s. 1; 1953, c. 693, ss. 2, 4; 1969, c. 687, s. 3; 1971, c. 780, s. 1; 1973, c. 494, s. 34.)

Editor's Note. — The Uniform Commercial Code is found in Chapter 25 of the General Statutes.

§ 159-165. Sale and delivery of bond anticipation notes. — (a) Bond anticipation notes shall be sold by the Commission at public or private sale according to such procedures as the Commission may prescribe.

(b) When the bond anticipation notes are executed, they shall be delivered to the State Treasurer who shall deliver them to the order of the purchaser and collect the purchase price or proceeds. The Treasurer shall then deduct from the proceeds the Commission's expense in connection with the issue, and remit the net proceeds to the official depository of the unit after assurance that the deposit will be adequately secured as required by law. The net proceeds of revenue bond anticipation notes shall be remitted to the trustee or other depository specified in the trust agreement or resolution securing them. If the notes have been issued to renew outstanding notes, the Treasurer, in lieu of collecting the purchase price or proceeds, may provide for the exchange of the newly issued notes for the notes to be renewed. (1917, c. 138, s. 14; 1919, c. 178, s. 3(14); C. S., s. 2935; 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1927, c. 81, s. 39; 1931, c. 293; 1939, c. 231, s. 1; 1953, c. 693, s. 2; 1969, c. 687, s. 3; 1971, c. 780, s. 1; 1973, c. 494, s. 35.)

§§ 159-166, 159-167: Reserved for future codification purposes.

Part 2. Tax, Revenue and Grant Anticipation Notes.

§ 159-168. "Unit" defined. — For purposes of this Part, "unit," "unit of local government," or "issuing unit" mean a "unit of local government" as defined by G.S. 159-7(b) and a "public authority" as defined by G.S. 159-7(b). (1973, c. 494, s. 40.)

Editor's Note. — Session Laws 1975, c. 674, s. 2, changed the heading of this Part from "Tax and Revenue Anticipation Notes" to "Tax, Revenue and Grant Anticipation Notes."

§ 159-169. Tax anticipation notes. — (a) A unit of local government having the power to levy taxes is authorized to borrow money for the purpose of paying appropriations made for the current fiscal year in anticipation of the collection of taxes due and payable within the fiscal year, and to issue its negotiable notes in evidence thereof. A tax anticipation note shall mature not later than 30 days after the close of the fiscal year in which it is issued, and may not be renewed beyond that time.

(b) No tax anticipation loan shall be made if the amount thereof, together with the amount of tax anticipation notes authorized or outstanding on the date the loan is authorized, would exceed fifty percent (50%) of the amount of taxes uncollected as of the date of the proposed loan authorization, as certified in writing to the governing board by the chief financial officer of the issuing unit. Each tax anticipation note shall bear on its face or reverse the following certificate signed by the finance officer: "This note and all other tax anticipation notes of (issuing unit) authorized or outstanding as of (date) amount to fifty percent (50%) or less of the amount of taxes for the current fiscal year uncollected as of the above date." No tax anticipation note shall be valid without this certificate.

(c) The faith and credit of the issuing unit are hereby pledged for the payment of each tax anticipation note issued under this section according to its terms, and the power and obligation of the issuing unit to levy taxes and raise other revenues for the prompt payment of such notes shall be unrestricted as to rate or amount, notwithstanding any other provisions of law. (1917, c. 138, s. 12; 1919, c. 178, s. 3(12); 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1927, c. 81, s. 4; 1971, c. 780, s. 1; 1973, c. 494, s. 37.)

Cross Reference. — As to limitations upon the increase of public debt, see N.C. Const., Art. V, § 4.

City May Anticipate Collection of Taxes. — Where the levy of taxes had been approved by the qualified voters of a city, the city, under former § 160-374, had the authority to borrow money to pay judgments in anticipation of the collection of taxes validly levied for that purpose. Hammond v. City of Charlotte, 206 N.C. 604, 175 S.E. 148 (1934).

§ 159-170. Revenue anticipation notes. — (a) A unit of local government is authorized to borrow money for the purpose of paying appropriations made for the current fiscal year in anticipation of the receipt of revenues, other than taxes, estimated in its budget to be realized in cash during the fiscal year, and to issue its negotiable notes in evidence thereof. A revenue anticipation note shall mature not later than 30 days after the close of the fiscal year in which it is issued, and may not be renewed beyond that time.

(b) No revenue anticipation loan shall be made if the amount thereof, together with the amount of all revenue anticipation notes authorized or outstanding on the date the loan is authorized, would exceed eighty percent (80%) of the revenues of the issuing unit, other than taxes, estimated in its budget to be realized in cash during the fiscal year. Each revenue anticipation note shall bear on its face a statement to the effect that it is payable solely from budgeted nontax revenues of the issuing unit and that the faith and credit of the issuing unit are not pledged for the payment of the note, and on its face or reverse the following certificate signed by the finance officer: "This note and all other revenue anticipation notes of (issuing unit) authorized or outstanding as of (date) amount to eighty percent (80%) or less of the budgeted nontax revenues for the current fiscal year as of the above date." No revenue anticipation note shall be valid without this certificate.

(c) Revenue anticipation notes issued under this section shall be special obligations of the issuing unit. Neither the credit nor the taxing power of the issuing unit may be pledged for the payment of revenue anticipation notes, and no holder of a revenue anticipation note shall have the right to compel the exercise of the taxing power by the issuing unit or the forfeiture of any of its property in connection with any default thereon. (1917, c. 138, s. 12; 1919, c. 178, s. 3(12); 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1927, c. 81, s. 4; 1971, c. 780, s. 1; 1973, c. 494, s. 38.)

§ 159-171. Grant anticipation notes. — (a) A unit of local government is authorized to borrow money for the purpose of paying appropriations made for a capital project in anticipation of the receipt of moneys from grant commitments for such capital project from the State or the United States or any agencies of either, and to issue its negotiable notes in evidence thereof. Grant anticipation notes shall mature not later than 12 months after the estimated completion date of such capital project as determined by the governing body of the unit of local government and may be renewed from time to time, but no renewal shall mature later than 12 months after the estimated completion date of such capital project.

(b) No grant anticipation note may be issued if the amount thereof, together with the amount of all other notes authorized or issued in anticipation of the same grant commitment, shall exceed ninety percent (90%) of the unpaid amount of said grant commitment. Each note shall bear on its face a statement to the effect that it is payable solely from moneys received from a described grant and that the faith and credit of the issuing unit are not pledged for the payment thereof, and on its face or reverse the following certificate signed by the finance officer: "This note and all other grant anticipation notes of (issuing unit) authorized or outstanding as of (date) and issued or to be issued in anticipation of (describe grant commitment) amount to ninety percent (90%) or less of the unpaid amount of said grant commitment." No grant anticipation note shall be valid without this certificate.

(c) Grant anticipation notes issued under this section shall be special obligations of the issuing unit. Neither the credit nor the taxing power of the issuing unit may be pledged for the payment of grant anticipation notes, and no holder of such notes shall have the right to compel the exercise of the taxing power by the issuing unit or the forfeiture of any of its property in connection with any default thereon. (1975, c. 674, s. 1.)

§ 159-172. Authorization and issuance of notes. — (a) Notes issued under this Part shall be authorized by resolution of the governing board of the issuing unit. The resolution shall fix the maximum aggregate principal amount of notes to be issued thereunder, and may authorize any officer to fix, within the limitations prescribed by the resolution, the rate of interest, the place or places of payment, and the denomination or denominations of the notes. The notes shall be signed with the manual or facsimile signatures of officers designated by the governing board for that purpose, but at least one manual signature must appear on each note (which may be the signature of the representative of the Commission to the Commission's certificate). Several notes may be issued under one authorization so long as the aggregate principal amount of notes outstanding at any one time does not exceed the limits of the authorization.

(b) Before any notes may be issued pursuant to this Part, they must be approved by the Commission. In determining whether to approve the issuance of notes, the Commission may consider (i) the reasonableness of the budget estimates of the taxes or other revenues in anticipation of which the tax or revenue anticipation notes are to be issued, (ii) the firm and binding character of the grant commitment in anticipation of which the grant anticipation notes are to be issued, (iii) whether the amount of the notes, together with the amount of other authorized or outstanding notes issued or to be issued in anticipation

of the same taxes or other revenues or grant commitments, exceeds the limitations prescribed in G.S. 159-169, 159-170 or 159-171 as the case may be, and (iv) any other matters that the Commission considers to have a bearing on whether the issue should be approved. The Commission shall approve the issuance of the notes if, upon the information and evidence it receives, it finds and determines that (i) the issue is necessary and expedient, (ii) the budget estimates of the taxes or other revenues are reasonable or the grant commitment is firm and binding, and (iii) the amount of the notes, together with the amounts of other authorized or outstanding notes issued or to be issued in anticipation of the same taxes or other revenues or grant commitments do not exceed the appropriate limitations prescribed by this Part. An order approving an issue shall not be regarded as an approval of the legality of the notes in any respect.

(c) Notes issued under this Part shall be sold by the Commission at public or private sale according to such procedures as the Commission may prescribe. Each such note shall bear on its face or reverse a certificate signed by the secretary of the Commission or an assistant designated by him that the issuance of the note has been approved under the provisions of the Local Government Finance Act. The certificate is conclusive evidence that the requirements of this Part have been observed, and no note without the Commission's certificate is valid.

(d) When the notes are executed, they shall be delivered to the State Treasurer who shall deliver them to the order of the purchaser and collect the purchase price or proceeds. The Treasurer shall then deduct from the proceeds the Commission's expense in connection with the issue, and remit the net proceeds to the official depository of the unit after assurance that the deposit will be adequately secured as required by law. If the notes have been issued to renew outstanding notes, the Treasurer, in lieu of collecting the purchase price or proceeds, may provide for the exchange of the newly issued notes for the notes to be renewed. (1917, c. 138, s. 14; 1919, c. 178, s. 3(14); C. S., s. 2935; 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1927, c. 81, s. 4; 1931, c. 293; 1939, c. 231, s. 1; 1971, c. 780, s. 1; 1973, c. 494, s. 39; 1975, c. 674, ss. 3-5.)

Editor's Note. — The 1975 amendment substituted "this Part" for "G.S. 159-169 and 159-170" in the first sentences of subsections (a) and (c) and rewrote subsection (b), inserting the provisions as to grant-anticipation notes and grant commitments.

§§ 159-173 to 159-175: Reserved for future codification purposes.

ARTICLE 10.

Assistance for Defaulting Units in Refinancing Debt.

§ 159-176. Commission to aid defaulting units in developing refinancing plans. — If a unit of local government or municipality (as defined in G.S. 159-44 or 159-81) fails to pay any installment of principal or interest on its outstanding debt on or before the due date (whether the debt is evidenced by general obligation bonds, revenue bonds, bond anticipation notes, tax anticipation notes, or revenue anticipation notes) and remains in default for 90 days, the Commission may take such action as it deems advisable to investigate the unit's or municipality's fiscal affairs, consult with its governing board, and negotiate with its creditors in order to assist the unit or municipality in working out a plan for refinancing, adjusting, or compromising the debt. When a plan is developed that the Commission finds to be fair and equitable and reasonably within the ability of the unit or municipality to meet, the Commission shall enter an order finding that it is fair, equitable, and within the ability of the unit or municipality

to meet. The Commission shall then advise the governing board to take the necessary steps to implement it. If the governing board declines or refuses to do so within 90 days after receiving the Commission's advice, the Commission may enter an order directing the governing board to implement the plan. When this order is entered, the members of the governing board and all officers and employees of the unit or municipality shall be under an affirmative duty to do all things necessary to implement the plan. The Commission may apply to the appropriate division of the General Court of Justice for a court order to the governing board and other officers and employees of the unit or municipality to enforce the Commission's order. (1935, c. 124, ss. 1, 2; 1971, c. 780, s. 1; 1973, c. 494, s. 41.)

Cross Reference. — For statute authorizing local units of State to avail themselves of Federal Bankruptcy Act, see § 23-48.

§ 159-177. Power to require reports and approve budgets. — When a refinancing plan has been put into effect pursuant to G.S. 159-176, the Commission shall have authority to require any periodic reports on the unit's or municipality's financial affairs (in addition to those otherwise required by law) that the secretary deems necessary, and to approve or reject the unit's or municipality's annual budget ordinance. The governing board of the unit or municipality shall obtain the approval of the secretary before adopting the annual budget ordinance. If the Commission recommends modifications in the budget, the governing board shall be under an affirmative duty to make the modifications before adopting the budget ordinance. (1935, c. 124, ss. 3, 4; 1971, c. 780, s. 1; 1973, c. 494, ss. 41, 42.)

§ 159-178. Duration of Commission's powers. — The power and authority granted to the Commission in this Article shall continue with respect to a defaulting unit of local government or municipality until the Commission is satisfied that the unit or municipality has performed or will perform the duties required of it in the refinancing plan, and until agreements made with the unit's or municipality's creditors have been performed in accordance with the plan. (1935, c. 124, s. 5; 1971, c. 780, s. 1; 1973, c. 494, s. 41; 1975, c. 19, s. 62.)

Editor's Note. — The 1975 amendment corrected an error in the 1973 amendatory act by inserting "or municipality" following "of local government."

§§ 159-179, 159-180: Reserved for future codification purposes.

ARTICLE 11.

Enforcement of Chapter.

§ 159-181. Enforcement of Chapter. — (a) If any finance officer, governing board member, or other officer or employee of any local government or public authority (as local government and public authority are defined in G.S. 159-7(b)) shall approve any claim or bill knowing it to be fraudulent, erroneous, or otherwise invalid, or make any written statement, give any certificate, issue any report, or utter any other document required by this Chapter, knowing that any portion of it is false, or shall willfully fail or refuse to perform any duty imposed upon him by this Chapter, he is guilty of a misdemeanor and upon conviction shall be fined not more than one thousand dollars ($1,000) and forfeits his office, and shall be personally liable in a civil action for all damages suffered thereby by the unit or authority or the holders of any of its obligations.

(b) If any person embezzles any funds belonging to any local government or public authority, or appropriates to his own use any personal property having a value of more than fifty dollars ($50.00) belonging to any local government or public authority, in addition to the crimes and punishment otherwise provided by law, upon conviction he forfeits his office or position and is forever thereafter barred from holding any office or place of trust or profit under the State of North Carolina or any political subdivisions thereof until the disability is removed in the manner provided for restoration of citizenship in Chapter 13 of the General Statutes.

(c) The Local Government Commission shall have authority to impound the books and records of any unit of local government or public authority and assume full control of all its financial affairs (i) when the unit or authority defaults on any debt service payment or, in the opinion of the Commission, will default on a future debt service payment if the financial policies and practices of the unit or authority are not improved, or (ii) when the unit or authority persists, after notice and warning from the Commission, in willfully or negligently failing or refusing to comply with the provisions of this Chapter. When the Commission takes action under this section, the Commission is vested with all of the powers of the governing board as to the levy of taxes, expenditure of money, adoption of budgets, and all other financial powers conferred upon the governing board by law. (1971, c. 780, s. 1; 1973, c. 494, s. 43.)

§ 159-182. Offending officers and employees removed from office. — If an officer or employee of a local government or public authority persists, after notice and warning from the Commission, in failing or refusing to comply with any provision of this Chapter, he forfeits his office or employment. The Commission may enter an order suspending the offender from further performance of his office or employment after first giving him notice and an opportunity to be heard in his own defense, pending the outcome of quo warranto proceedings. Upon suspending a local officer or employee under this section, the Commission shall report the circumstances to the Attorney General who shall initiate quo warranto proceedings against the officer or employee in the General Court of Justice. If an officer or employee persists in performing any official act in violation of an order of the Commission suspending him from performance of his duties, the Commission may apply to the General Court of Justice for a restraining order and injunction. (1931, c. 60, s. 45; 1971, c. 780, s. 1; 1973, c. 494, s. 44.)

Chapter 159A.

Pollution Abatement and Industrial Facilities Financing Act.

§§ 159A-1 to 159A-25: Unconstitutional.

Editor's Note. — This Chapter, enacted by Session Laws 1971, c. 633, and comprising §§ 159A-1 through 159A-25, was held unconstitutional in Stanley v. Department of Conservation & Dev., 284 N.C. 15, 199 S.E.2d 641 (1973). A new Chapter 159A, covering the same subject matter, was enacted by Session Laws 1975, c. 800, effective upon ratification of an enabling amendment to the State Constitution, and has been recodified as Chapter 159C. See the Editor's note following the analysis to Chapter 159C.

Chapter 159B.

Joint Municipal Electric Power and Energy Act.

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Editor's Note. — Session Laws 1975, c. 186, s. 2, contains a severability clause.

§ 159B-1. Short title. — This Chapter may be cited as the "Joint Municipal Electric Power and Energy Act." (1975, c. 186, s. 1.)

§ 159B-2. Legislative findings and purposes. — The General Assembly hereby finds and determines that:

A critical situation exists with respect to the present and future supply of electric power and energy in the State of North Carolina;

The public utilities operating in the State have sustained greatly increased capital and operating costs;

Such public utilities have found it necessary to postpone or curtail construction of planned generation and transmission facilities serving the consumers of electricity in the State, increasing the ultimate cost of such facilities to the public utilities, and that such postponements and curtailments will have an adverse effect on the provision of adequate and reliable electric service in the State;

The above conditions have occurred despite substantial increases in electric rates;

In the absence of further material increases in electric rates, additional postponements and curtailments in the construction of additional generation and transmission facilities may occur, thereby impairing those utilities' ability to continue to provide an adequate and reliable source of electric power and energy in the State;

Seventy-two municipalities in the State have for many years owned and operated systems for the distribution of electric power and energy to customers in their respective service areas and are empowered severally to engage in the generation and transmission of electric power and energy;

Such municipalities owning electric distribution systems have an obligation to provide their inhabitants and customers an adequate, reliable and economical source of electric power and energy in the future;

In order to achieve the economies and efficiencies made possible by the proper planning, financing, sizing and location of facilities for the generation and transmission of electric power and energy which are not practical for any municipality acting alone, and to insure an adequate, reliable and economical supply of electric power and energy to the people of the State, it is desirable for the State of North Carolina to authorize municipal electric systems to jointly plan, finance, develop, own and operate electric generation and transmission facilities appropriate to their needs in order to provide for their present and future power requirements for all uses without supplanting or displacing the service at retail of other electric suppliers operating in the State; and

The joint planning, financing, development, ownership and operation of electric generation and transmission facilities by municipalities which own electric distribution systems and the issuance of revenue bonds for such purposes as provided in this Chapter is for a public use and for public and municipal purposes and is a means of achieving economies, adequacy and reliability in the generation of electric power and energy and in the meeting of future needs of the State and its inhabitants. (1975, c. 186, s. 1.)

§ 159B-3. Definitions. — The following terms whenever used or referred to in this Chapter shall have the following respective meanings unless a different meaning clearly appears from the context:

(1) "Bonds" shall mean electric revenue bonds, notes and other evidences of indebtedness of a joint agency or municipality issued under the provisions of this Chapter and shall include refunding bonds.

(2) "Cost" or "cost of a project" shall mean, but shall not be limited to, the cost of acquisition, construction, reconstruction, improvement, enlargement, betterment or extension of any project, including the cost of studies, plans, specifications, surveys, and estimates of costs and revenues relating thereto; the cost of land, land rights, rights-of-way and easements, water rights, fees, permits, approvals, licenses, certificates, franchises, and the preparation of applications for and securing the same; administrative, legal, engineering and inspection expenses; financing fees, expenses and costs; working capital; initial fuel costs; interest on the bonds during the period of construction and for such reasonable period thereafter as may be determined by the issuing municipality or joint agency; establishment of reserves; and all other expenditures of the issuing municipality or joint agency incidental, necessary or convenient to the acquisition, construction, reconstruction, improvement, enlargement, betterment or extension of any project and the placing of the same in operation.

(3) "Governing board" shall mean the legislative body, council, board of commissioners, board of trustees, or other body charged by law with governing the municipality or joint agency.

(4) "Joint agency" shall mean a public body and body corporate and politic organized in accordance with the provisions of this Chapter.

(5) "Municipality" shall mean a city, town or other unit of municipal government created under the laws of the State, or any board, agency, or commission thereof, owning a system or facilities for the generation, transmission or distribution of electric power and energy for public and private uses.

(6) "Project" shall mean any system or facilities for the generation, transmission and transformation, or any of them, of electric power and energy by any means whatsoever including, but not limited to, any one or more electric generating units situated at a particular site.

(7) "State" shall mean the State of North Carolina. (1975, c. 186, s. 1.)

§ 159B-4. Authority of municipalities to jointly cooperate. — In addition and supplemental to the powers otherwise conferred on municipalities by the laws of the State, and in order to accomplish the purposes of this Chapter and to obtain a supply of electric power and energy for the present and future needs of its inhabitants and customers, a municipality may plan, finance, develop, construct, reconstruct, acquire, improve, enlarge, better, own, operate and maintain an undivided interest as a tenant in common in a project situated within or without the State jointly with one or more other municipalities, or with a joint agency created pursuant to this Chapter, or with municipal corporations or political subdivisions of other states (to the extent permitted by the laws of such other states), and may make such plans and enter into such contracts in connection therewith, not inconsistent with the provisions of this Chapter, as are necessary or appropriate.

Prior to acquiring any such undivided interest the governing board shall determine the needs of the municipality for power and energy based upon engineering studies and reports, and shall not acquire an undivided interest as a tenant in common in a project in excess of that amount of capacity and the energy associated therewith required to provide for its projected needs for power and energy from and after the date the project is estimated to be placed in normal continuous operation and for such reasonable period of time thereafter as shall be determined by the governing board and approved by the North Carolina Utilities Commission in a proceeding instituted pursuant to G.S. 159B-24 of this Chapter. In determining the future power requirements of a municipality, there shall be taken into account the following:

(1) The economies and efficiencies to be achieved in constructing on a large scale facilities for the generation and transmission of electric power and energy;

(2) The municipality's needs for reserve and peaking capacity and to meet obligations under pooling and reserve sharing agreements reasonably related to its needs for power and energy to which it is or may become a party;

(3) The estimated useful life of such project;

(4) The estimated time necessary for the planning, development, acquisition or construction of such project and the length of time required in advance to obtain, acquire or construct additional power supply; and

(5) The reliability and availability of existing or alternative power supply sources and the cost of such existing or alternative power supply sources.

A determination by such governing board approved by the North Carolina Utilities Commission based upon appropriate findings of the foregoing matters shall be conclusive as to the quantity of the interest which a municipality may acquire in a project unless a party to the proceeding aggrieved by the determination of said Commission shall file notice of appeal pursuant to Article 5 of Chapter 62 of the General Statutes of North Carolina.

Nothing herein contained shall prevent a municipality or municipalities from undertaking studies to determine whether there is a need for a project or whether such project is feasible. (1975, c. 186, s. 1.)

§ 159B-5. Joint ownership of a project; provisions of the contract or agreement with respect thereto. — Each municipality shall own an undivided interest in any project in proportion to the amount of the money furnished or

the value of property or other consideration supplied by it for the planning, development, acquisition or construction thereof, and shall be entitled to a percentage share of the output and capacity therefrom equal to such undivided interest.

Each municipality shall be severally liable for its own acts and not jointly or severally liable for the acts, omissions or obligations of others, and no money or property or other consideration supplied by any municipality shall be credited or otherwise applied to the account of any other municipality, nor shall the undivided share of any municipality in a project be charged directly or indirectly with any debt or obligation of any other municipality or be subject to any lien as a result thereof. The acquisition of a project shall include, but shall not be limited to, the purchase or lease of an existing, completed project and the purchase of a project under construction. A municipality participating in the joint planning, financing, construction, reconstruction, acquisition, improvement, enlargement, betterment, ownership, operation or maintenance of any project under this Chapter may furnish money derived solely from the proceeds of bonds or from the ownership and operation of its electric system, or both, and provide property, both real and personal, services and other considerations.

Any contracts entered into by municipalities with respect to joint ownership in a project shall contain such terms, conditions and provisions, not inconsistent with the provisions hereof, as the governing boards of the municipalities shall deem to be in the interests of the municipalities. Any such contracts shall be ratified by resolution of the governing board of each municipality spread upon its minutes. Any such contracts shall include, but shall not be limited to, the following:

(1) The purpose or purposes of the contract;
(2) The duration of the contract;
(3) The manner of appointing or employing the personnel necessary in connection with the project;
(4) The method of financing the project, including the apportionment of costs and revenues;
(5) Provisions specifying the ownership interests of the parties in real property used or useful in connection with the project, and the procedures for the disposition of such property when the contract expires, is terminated or when the project, for any reason, is abandoned, decommissioned or dismantled;
(6) Provisions relating to alienation and prohibiting partition of a municipality's undivided interest in a project, which provisions shall not be subject to any provision of law restricting covenants against alienation or partition;
(7) Provisions for the construction of a project, which may include the determination that one municipality jointly participating or any person, firm or corporation may construct the project as agent for all the parties;
(8) Provisions for the operation and maintenance of a project, which may include the determination that one municipality jointly participating or any person, firm or corporation may operate and maintain the project as agent for all the parties;
(9) Provisions for the creation of a committee of representatives of the municipalities jointly participating, with such powers of supervision of the construction and operation of the project as the contract, not inconsistent with the provisions of this Chapter, may provide;
(10) Provisions that if one or more of the municipalities shall default in the performance or discharge of its or their obligations with respect to the project, the other party or parties may assume, pro rata or otherwise, the obligations of such defaulting party or parties and may succeed to

such rights and interests of the defaulting party or parties in the project as may be agreed upon in the contract;

(11) Methods for amending the contract;

(12) Methods for terminating the contract; and

(13) Any other necessary or proper matter.

For the purpose of paying its respective share of the cost of a project or projects, a municipality may issue its bonds as provided in this Chapter, and, notwithstanding the provisions of any other law to the contrary, may pledge to the payment of the principal of, premium, if any, and interest on such bonds the revenues, or any portion thereof, derived or to be derived from the ownership and operation of its system or facilities for the generation, transmission, or distribution of electric power or energy or its interest in any joint project or projects, or a combination of such revenues. Provided that all bonds issued under the provisions of this Chapter shall be authorized and issued by the governing board of a city, town, or other unit of municipal government created under the laws of the State. (1975, c. 186, s. 1.)

§ 159B-6. Sale of capacity and output by a municipality. — Capacity or output derived by a municipality from its ownership share of a project not then required by such municipality for its own use and for the use of its consumers may be sold or exchanged by such municipality, for such consideration and for such period and upon such other terms and conditions as may be determined by the parties, to any municipality owning electric distribution facilities in this State, to any electric membership corporation or public utility authorized to do business in this State, or to any state, federal or municipal agency which owns electric generation, transmission or distribution facilities. Provided, however, that the foregoing limitations shall not apply to the temporary sale of excess capacity and energy without the State in cases of emergency or when required to fulfill obligations under any pooling or reserve-sharing agreements reasonably related to its needs for power and energy. Provided further, however, that sales of excess capacity or output of a project to electric membership corporations, public utilities, and other persons the interest on whose securities and other obligations is not exempt from taxation by the federal government shall not be made in such amounts, for such periods of time, and under such terms and conditions as will cause the interest on bonds issued to finance the cost of a project to become taxable by the federal government. (1975, c. 186, s. 1.)

§ 159B-7. Licenses, permits, certificates and approvals. — Municipalities proposing to jointly plan, finance, develop, own and operate a project are hereby authorized, either jointly or separately, to apply to the appropriate agencies of the State, the United States, or any state thereof, and to any other proper agency for such licenses, permits, certificates or approvals as may be necessary, and to construct, maintain and operate projects in accordance with such licenses, permits, certificates or approvals and to obtain, hold and use such licenses, permits, certificates and approvals in the same manner as any other operating unit of any other person. (1975, c. 186, s. 1.)

§ 159B-8. Authority to contract with respect to exchange, interchange, wheeling, pooling and transmission. — Municipalities participating in a joint project or projects are hereby authorized to enter into contracts for the exchange, interchange, wheeling, pooling and transmission of electric power and energy produced by such project or projects with any municipality of this State or any other state owning electric distribution facilities, any electric membership corporation, or any public utility, or any state, federal or municipal agency which owns electric generation, transmission or distribution facilities in this State or any other state. (1975, c. 186, s. 1.)

§ 159B-9. Creation of a joint agency; board of commissioners. — (a) The governing boards of two or more municipalities may by resolution or ordinance determine that it is in the best interests of the municipalities in accomplishing the purposes of this Chapter to create a joint agency as prescribed herein for the purpose of undertaking the planning, financing, development, acquisition, construction, reconstruction, improvement, enlargement, betterment, operation and maintenance of a project or projects to supply electric power and energy for their present or future needs as an alternative or supplemental method of obtaining the benefits and assuming the responsibilities of ownership in a project.

In determining whether or not the creation of a joint agency for such purpose is in the best interests of the municipalities, the governing boards shall take into consideration, but shall not be limited to, the following:

(1) Whether or not a separate entity may be able to finance the cost of projects in a more efficient and economical manner;

(2) Whether or not better financial market acceptance may result if one entity is responsible for issuing all of the bonds required for a project or projects in a timely and orderly manner and with a uniform credit rating instead of multiple entities issuing separate issues of bonds;

(3) Whether or not savings and other advantages may be obtained by providing a separate entity responsible for the acquisition, construction, ownership and operation of a project or projects; and

(4) Whether or not the existence of such a separate entity will foster the continuation of joint planning and undertaking of projects, and the resulting economies and efficiencies to be derived from such joint planning and undertaking.

If each governing board shall determine that it is in the best interests of the municipality to create a joint agency to provide power and energy to the municipality as provided in this Chapter, each shall adopt a resolution or ordinance so finding (which need not prescribe in detail the basis for the determination), and which shall set forth the names of the municipalities which are proposed to be initial members of the joint agency, and shall cause notice of such determination to be given to the presiding officer of the governing board of the municipality who shall thereupon appoint in writing one commissioner of the joint agency.

Any two or more commissioners so named may file with the Secretary of State an application signed by them setting forth (i) the names of all the proposed member municipalities; (ii) the name and official residence of each of the commissioners so far as known to them; (iii) a certified copy of the appointment evidencing their right to office; (iv) a statement that each governing board of each respective municipality appointing a commissioner has made the aforesaid determination; (v) the desire that a joint agency be organized as a public body and a body corporate and politic under this Chapter; and (vi) the name which is proposed for the joint agency.

The application shall be subscribed and sworn to by such commissioners before an officer or officers authorized by the laws of the State to administer and certify oaths.

The Secretary of State shall examine the application and, if he finds that the name proposed for the joint agency is not identical with that of any other corporation of this State or of any agency or instrumentality thereof, or so nearly similar as to lead to confusion and uncertainty, he shall receive and file it and shall record it in an appropriate book of record in his office.

When the application has been made, filed and recorded as herein provided, the joint agency shall constitute a public body and a body corporate and politic under the name proposed in the application. The Secretary of State shall make and issue to the commissioners executing the application a certificate of

incorporation pursuant to this Chapter under the seal of the State, and shall record the same with the application. The certificate shall set forth the names of the member municipalities.

In any suit, action or proceeding involving the validity or enforcement of, or relating to, any contract of the joint agency, the joint agency, in the absence of establishing fraud in the premises, shall be conclusively deemed to have been established in accordance with the provisions of this Chapter upon proof of the issuance of the aforesaid certificate by the Secretary of State. A copy of such certificate, duly certified by the Secretary of State, shall be admissible in evidence in any such suit, action or proceeding, and shall be conclusive proof of the filing and contents thereof.

Notice of the issuance of such certificate shall be given to all of the proposed member municipalities by the Secretary of State. If a commissioner of any such municipality has not signed the application to the Secretary of State and such municipality does not notify the Secretary of State of the appointment of a commissioner within 40 days after receipt of such notice, such municipality shall be deemed to have elected not to be a member of the joint agency. As soon as practicable after the expiration of such 40-day period, the Secretary of State shall issue a new certificate of incorporation, if necessary, setting forth the names of those municipalities which have elected to become members of the joint agency. The failure of any proposed member to become a member shall not affect the validity of the corporate existence of the joint agency.

(b) After the creation of a joint agency, any other municipality may become a member thereof upon application to such joint agency after the adoption of a resolution or ordinance by the governing board of the municipality setting forth the determination and finding prescribed in paragraph (a) of this G.S. 159B-9, and authorizing said municipality to participate, and with the unanimous consent of the members of the joint agency evidenced by the resolutions of their respective governing bodies. Any municipality may withdraw from a joint agency, provided, however, that all contractual rights acquired and obligations incurred while a municipality was a member shall remain in full force and effect.

(c) The joint agency shall consist of a board of commissioners appointed by the respective governing boards of the municipalities which are members of the joint agency. Each municipality shall appoint one commissioner who may, at the discretion of the municipality, be an officer or employee of the municipality, the appointment to be made by resolution or ordinance. Each commissioner shall have not less than one vote and may have in addition thereto such additional votes as the members of the joint agency shall determine. Each commissioner shall serve at the pleasure of the governing board by which he was appointed. Each appointed commissioner before entering upon his duties shall take and subscribe to an oath before some person authorized by law to administer oaths to execute the duties of his office faithfully and impartially, and a record of each such oath shall be filed with the governing board of the appointing municipality and spread upon its minutes.

(d) The board of commissioners of the joint agency shall annually elect one of the commissioners as chairman, another as vice-chairman, and another person or persons, who may but need not be commissioners, as treasurer, secretary, and, if desired, assistant secretary. The office of treasurer may be held by the secretary or assistant secretary. The board of commissioners may also appoint such additional officers as it deems necessary. The secretary or assistant secretary of the joint agency shall keep a record of the proceedings of the joint agency, and the secretary shall be the custodian of all records, books, documents and papers filed with the joint agency, the minute book or journal of the joint agency and its official seal. Either the secretary or the assistant secretary of the joint agency may cause copies to be made of all minutes and other records and documents of the joint agency and may give certificates under the official

seal of the joint agency to the effect that such copies are true copies, and all persons dealing with the joint agency may rely upon such certificates.

(e) A majority of the commissioners of a joint agency then in office shall constitute a quorum. A vacancy in the board of commissioners of the joint agency shall not impair the right of a quorum to exercise all the rights and perform all the duties of the joint agency. Any action taken by the joint agency under the provisions of this Chapter may be authorized by resolution at any regular or special meeting, and each such resolution shall take effect immediately and need not be published or posted. A majority of the votes which the commissioners present are entitled to cast shall be necessary and sufficient to take any action or to pass any resolution, provided that such commissioners present are entitled to cast a majority of the votes of all commissioners of the board.

(f) No commissioner of a joint agency shall receive any compensation for the performance of his duties hereunder, provided, however, that each commissioner may be paid his necessary expenses incurred while engaged in the performance of such duties. (1975, c. 186, s. 1.)

§ 159B-10. Executive committee; composition; powers and duties; terms. — The board of commissioners of a joint agency may create an executive committee of the board of commissioners. The board may provide for the composition of the executive committee so as to afford, in its judgment, fair representation of the member municipalities. The executive committee shall administer the business of the board of commissioners during intervals between the board's meetings in accordance with its rules, motions or resolutions. The terms of office of the members of the executive committee and the method of filling vacancies therein shall be fixed by the rules of the board of commissioners of the joint agency. (1975, c. 186, s. 1.)

§ 159B-11. General powers of joint agencies; prerequisites to undertaking projects. — Each joint agency shall have all of the rights and powers necessary or convenient to carry out and effectuate the purposes and provisions of this Chapter, including, but without limiting the generality of the foregoing, the rights and powers:

(1) To adopt bylaws for the regulation of the affairs and the conduct of its business, and to prescribe rules, regulations and policies in connection with the performance of its functions and duties;

(2) To adopt an official seal and alter the same at pleasure;

(3) To maintain an office at such place or places as it may determine;

(4) To sue and be sued in its own name, and to plead and be impleaded;

(5) To receive, administer and comply with the conditions and requirements respecting any gift, grant or donation of any property or money;

(6) To acquire by purchase, lease, gift, or otherwise, or to obtain options for the acquisition of, any property, real or personal, improved or unimproved, including an interest in land less than the fee thereof;

(7) To sell, lease, exchange, transfer or otherwise dispose of, or to grant options for any such purposes with respect to, any real or personal property or interest therein;

(8) To pledge or assign any money, rents, charges, or other revenues and any proceeds derived by the joint agency from the sales of property, insurance or condemnation awards;

(9) To issue bonds of the joint agency for the purpose of providing funds for any of its corporate purposes;

(10) To study, plan, finance, construct, reconstruct, acquire, improve, enlarge, extend, better, own, operate and maintain one or more projects and to pay all or any part of the costs thereof from the proceeds of

bonds of the joint agency or from any other funds made available to the joint agency;

(11) To authorize the construction, operation or maintenance of any project or projects by any person, firm or corporation, including political subdivisions and agencies of any state, or of the United States;

(12) To acquire by lease, purchase or otherwise an existing project or a project under construction;

(13) To sell or otherwise dispose of any project or projects;

(14) To fix, charge and collect rents, rates, fees and charges for electric power or energy and other services, facilities and commodities sold, furnished or supplied through any project;

(15) To generate, produce, transmit, deliver, exchange, purchase, or sell for resale only, electric power or energy, and to enter into contracts for any or all such purposes;

(16) To negotiate and enter into contracts for the purchase, sale, exchange, interchange, wheeling, pooling, transmission or use of electric power and energy with any municipality in this State or any other state owning electric distribution facilities, any electric membership corporation, any public utility, and any state, federal or municipal agency which owns electric generation, transmission or distribution facilities in this State or any other state;

(17) To make and execute contracts and other instruments necessary or convenient in the exercise of the powers and functions of the joint agency under this Chapter, including contracts with persons, firms, corporations and others;

(18) To apply to the appropriate agencies of the State, the United States or any state thereof, and to any other proper agency for such permits, licenses, certificates or approvals as may be necessary, and to construct, maintain and operate projects in accordance with such licenses, permits, certificates or approvals, and to obtain, hold and use such licenses, permits, certificates and approvals in the same manner as any other person or operating unit of any other person;

(19) To employ engineers, architects, attorneys, real estate counselors, appraisers, financial advisors and such other consultants and employees as may be required in the judgment of the joint agency and to fix and pay their compensation from funds available to the joint agency therefor; and

(20) To do all acts and things necessary, convenient or desirable to carry out the purposes, and to exercise the powers granted to the joint agency herein.

No joint agency shall undertake any project required to be financed, in whole or in part, with the proceeds of bonds without the approval of a majority of its members. Before undertaking any project, a joint agency shall, based upon engineering studies and reports, determine that such project is required to provide for the projected needs for power and energy of its members from and after the date the project is estimated to be placed in normal and continuous operation and for a reasonable period of time thereafter. Prior to or simultaneously with granting a certificate of public convenience and necessity for any such project the North Carolina Utilities Commission, in a proceeding instituted pursuant to G.S. 159B-24 of this Chapter, shall approve such determination. In determining the future power requirements of the members of a joint agency, there shall be taken into account the following:

(1) The economies and efficiencies to be achieved in constructing on a large scale facilities for the generation and transmission of electric power and energy;

(2) Needs of the joint agency for reserve and peaking capacity and to meet obligations under pooling and reserve-sharing agreements reasonably related to its needs for power and energy to which the joint agency is or may become a party;
(3) The estimated useful life of such project;
(4) The estimated time necessary for the planning, development, acquisition, or construction of such project and the length of time required in advance to obtain, acquire or construct additional power supply for the members of the joint agency;
(5) The reliability and availability of existing alternative power supply sources and the cost of such existing alternative power supply sources.

A determination by the joint agency approved by the North Carolina Utilities Commission based upon appropriate findings of the foregoing matters shall be conclusive as to the appropriateness of a project to provide the needs of the members of a joint agency for power and energy unless a party to the proceeding aggrieved by the determination of said Commission shall file notice of appeal pursuant to Article 5 of Chapter 62 of the General Statutes of North Carolina.

Nothing herein contained shall prevent a joint agency from undertaking studies to determine whether there is a need for a project or whether such project is feasible. (1975, c. 186, s. 1.)

§ 159B-12. Sale of capacity and output by a joint agency. — Any municipality which is a member of the joint agency may contract to buy from the joint agency power and energy required for its present or future requirements, including the capacity and output of one or more specified projects. As the creation of a joint agency is an alternative method whereby a municipality may obtain the benefits and assume the responsibilities of ownership in a project, any such contract may provide that the municipality so contracting shall be obligated to make the payments required by the contract whether or not a project is completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output of a project or the power and energy contracted for, and that such payments under the contract shall not be subject to any reduction, whether by offset or otherwise, and shall not be conditioned upon the performance or nonperformance of the joint agency or any other member of the joint agency under the contract or any other instrument. Any contract with respect to the sale or purchase of capacity or output of a project entered into between a joint agency and its member municipalities may also provide that if one or more of such municipalities shall default in the payment of its or their obligations with respect to the purchase of said capacity or output, then in that event the remaining member municipalities which are purchasing capacity and output under the contract shall be required to accept and pay for and shall be entitled proportionately to and may use or otherwise dispose of the capacity or output which was to be purchased by the defaulting municipality.

Notwithstanding the provisions of any other law to the contrary, any such contracts with respect to the sale or purchase of capacity, output, power or energy from a project may extend for a period not exceeding 50 years from the date a project is estimated to be placed in normal continuous operation; and the execution and effectiveness thereof shall not be subject to any authorizations or approvals by the State or any agency, commission or instrumentality or political subdivision thereof except as in this Chapter specifically required and provided.

Payments by a municipality under any contract for the purchase of capacity and output from a joint agency shall be made solely from the revenues derived from the ownership and operation of the electric system of said municipality and any obligation under such contract shall not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any property of the municipality or

upon any of its income, receipts, or revenues, except the revenues of its electric system, and neither the faith and credit nor the taxing power of the municipality are, or may be, pledged for the payment of any obligation under any such contract. A municipality shall be obligated to fix, charge and collect rents, rates, fees and charges for electric power and energy and other services, facilities and commodities sold, furnished or supplied through its electric system sufficient to provide revenues adequate to meet its obligations under any such contract and to pay any and all other amounts payable from or constituting a charge and lien upon such revenues, including amounts sufficient to pay the principal of and interest on general obligation bonds heretofore or hereafter issued by the municipality for purposes related to its electric system.

Any municipality which is a member of a joint agency may furnish the joint agency with money derived solely from the ownership and operation of its electric system or facilities and provide the joint agency with personnel, equipment and property, both real and personal. Any municipality may also provide any services to a joint agency.

Any member of a joint agency may contract for, advance or contribute funds derived solely from the ownership and operation of its electric system or facilities to a joint agency as may be agreed upon by the joint agency and the member, and the joint agency shall repay such advances or contributions from proceeds of bonds, from operating revenues or from any other funds of the joint agency, together with interest thereon as may be agreed upon by the member and the joint agency. (1975, c. 186, s. 1.)

§ 159B-13. Sale of excess capacity and output by a joint agency. — A joint agency may sell or exchange the excess capacity or output of a project not then required by any of its members for such consideration and for such period and upon such other terms and conditions as may be determined by the parties to any municipality owning electric distribution facilities in this State, to any electric membership corporation or public utility authorized to do business in this State, or to any state, federal or municipal agency which owns electric generation, transmission or distribution facilities. Provided, however, that the foregoing limitations shall not apply to the temporary sale of excess capacity and energy without the State in cases of emergency or when required to fulfill obligations under any pooling or reserve-sharing agreements. Provided further, however, that sales of excess capacity or output of a project to electric membership corporations, public utilities, and other persons the interest on whose securities and other obligations is not exempt from taxation by the federal government shall not be made in such amounts, for such periods of time, and under such terms and conditions as will cause the interest on bonds issued to finance the cost of a project to become taxable by the federal government. (1975, c. 186, s. 1.)

§ 159B-14. Bonds of a joint agency. — A joint agency may issue its bonds pledging to the payment thereof as to both principal and interest the revenues, or any portion thereof, derived or to be derived from all or any of its projects, and any additions and betterments thereto or extensions thereof, or contributions or advances from its members. Bonds of a joint agency shall be authorized by a resolution adopted by its governing board and spread upon its minutes. (1975, c. 186, s. 1.)

§ 159B-15. Issuance of bonds. — (a) Each municipality and joint agency is hereby authorized to issue at one time or from time to time its bonds for the purpose of paying all or any part of the cost of any of the purposes herein authorized. The principal of, premium, if any, and the interest on such bonds shall be payable solely from the respective funds herein provided for such payment. The bonds of each issue shall bear interest at such rate or rates as may be determined by the Local Government Commission of North Carolina with

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the approval of the issuer. The bonds of each issue shall be dated and shall mature in such amounts and at such time or times, not exceeding 50 years from their respective date or dates, as may be determined by the governing board of the issuer, and may be made redeemable before maturity at such price or prices and under such terms and conditions as may be fixed by the governing board of the issuer prior to the issuance of the bonds. The governing board of the issuer shall determine the form and the manner of execution of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest, which may be at any bank or trust company within or without the State. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. The governing board of the issuer may also provide for the authentication of the bonds by a trustee or fiscal agent. The bonds may be issued in coupon or in fully registered form, or both, as the governing board of the issuer may determine, and provisions may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest, and for the interchange of registered and coupon bonds.

(b) The proceeds of the bonds of each issue shall be used solely for the purposes for which such bonds have been issued, and shall be disbursed in such manner and under such restrictions, if any, as the governing board of the issuer may provide in the resolution authorizing the issuance of such bonds or in any trust agreement securing the same. The municipality or joint agency may issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The municipality or joint agency may also provide for the replacement of any bonds which shall have become mutilated or shall have been destroyed or lost.

(c) Bonds may be issued under the provisions of this Chapter without obtaining, except as otherwise expressly provided in G.S. 159B-24 of this Chapter, the consent of the State or of any political subdivision, or of any agency, commission or instrumentality of either thereof, and without any other approvals, proceedings or the happening of any conditions or things other than those approvals, proceedings, conditions or things which are specifically required by this Chapter and the provisions of the resolution authorizing the issuance of such bonds or the trust agreement securing the same. (1975, c. 186, s. 1.)

§ 159B-16. Resolution or trust agreement. — In the discretion of the governing board of the issuer, any bonds issued under the provisions of this Chapter may be secured by a trust agreement by and between the issuer and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the State. Such trust agreement or the resolution providing for the issuance of such bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders and of the trustee as may be reasonable and proper and not in violation of law, and may restrict the individual right of action by bondholders. The trust agreement or the resolution providing for the issuance of such bonds may contain covenants including, but not limited to, the following:

(1) The pledge of all or any part of the revenues derived or to be derived from the project or projects to be financed by the bonds or from the electric system or facilities of a municipality or a joint agency.

(2) The rents, rates, fees and charges to be established, maintained, and collected, and the use and disposal of revenues, gifts, grants and funds received or to be received by the municipality or joint agency.
(3) The setting aside of reserves and the investment, regulation and disposition thereof.
(4) The custody, collection, securing, investment, and payment of any moneys held for the payment of bonds.
(5) Limitations or restrictions on the purposes to which the proceeds of sale of bonds then or thereafter to be issued may be applied.
(6) Limitations or restrictions on the issuance of additional bonds; the terms upon which additional bonds may be issued and secured; or the refunding of outstanding or other bonds.
(7) The procedure, if any, by which the terms of any contract with bondholders may be amended, the percentage of bonds the bondholders of which must consent thereto, and the manner in which such consent may be given.
(8) Events of default and the rights and liabilities arising thereupon, the terms and conditions upon which bonds issued under this Chapter shall become or may be declared due before maturity, and the terms and conditions upon which such declaration and its consequences may be waived.
(9) The preparation and maintenance of a budget.
(10) The retention or employment of consulting engineers, independent auditors, and other technical consultants.
(11) Limitations on or the prohibition of free service to any person, firm or corporation, public or private.
(12) The acquisition and disposal of property, provided that no project or part thereof shall be mortgaged by such trust agreement or resolution.
(13) Provisions for insurance and for accounting reports and the inspection and audit thereof.
(14) The continuing operation and maintenance of the project. (1975, c. 186, s. 1.)

§ 159B-17. Revenues. — (a) A municipality is hereby authorized to fix, charge and collect rents, rates, fees and charges for electric power and energy and other services, facilities and commodities sold, furnished or supplied through the facilities of its electric system or its interest in any joint project. For so long as any bonds of a municipality are outstanding and unpaid, the rents, fees and charges shall be so fixed as to provide revenues sufficient to pay all costs of and charges and expenses in connection with the proper operation and maintenance of its electric system, and its interest in any joint project, and all necessary repairs, replacements or renewals thereof, to pay when due the principal of, premium, if any, and interest on all bonds and other evidences of indebtedness payable from said revenues, to create and maintain reserves as may be required by any resolution or trust agreement authorizing and securing bonds, to pay when due the principal of, premium, if any, and interest on all general obligation bonds heretofore or hereafter issued to finance additions, improvements and betterments to its electric system, and to pay any and all amounts which the municipality may be obligated to pay from said revenues by law or contract.

(b) A joint agency is hereby authorized to fix, charge, and collect rents, rates, fees and charges for electric power and energy and other services, facilities and commodities sold, furnished or supplied through the facilities of its projects. For so long as any bonds of a joint agency are outstanding and unpaid, the rents, rates, fees and charges shall be so fixed as to provide revenues sufficient to pay all costs of and charges and expenses in connection with the proper operation and maintenance of its projects, and all necessary repairs, replacements or

renewals thereof, to pay when due the principal of, premium, if any, and interest on all bonds and other evidences of indebtedness payable from said revenues, to create and maintain reserves as may be required by any resolution or trust agreement authorizing and securing bonds, and to pay any and all amounts which the joint agency may be obligated to pay from said revenues by law or contract.

(c) Any pledge made by a municipality or joint agency pursuant to this Chapter shall be valid and binding from the date the pledge is made. The revenues, securities, and other moneys so pledged and then held or thereafter received by the municipality or joint agency or any fiduciary shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the municipality or joint agency without regard to whether such parties have notice thereof. The resolution or trust agreement or any financing statement, continuation statement or other instrument by which a pledge is created need not be filed or recorded in any manner. (1975, c. 186, s. 1.)

§ 159B-18. Trust funds. — Notwithstanding any other provisions of law to the contrary, all moneys received pursuant to the authority of this Chapter, whether as proceeds from the sale of bonds or as revenues, shall be deemed to be trust funds to be held and applied solely as provided in this Chapter. The resolution authorizing the bonds of any issue or the trust agreement securing such bonds may provide that any of such moneys may be temporarily invested and reinvested pending the disbursements thereof in such securities and other investments as shall be provided in such resolution or trust agreement, and shall provide that any officer with whom, or any bank or trust company with which, such moneys shall be deposited shall act as trustee of such moneys and shall hold and apply the same for the purposes hereof, subject to such regulation as this Chapter and such resolution or trust agreement may provide. (1975, c. 186, s. 1.)

§ 159B-19. Remedies. — Any holder of bonds issued under the provisions of this Chapter or any of the coupons appertaining thereto, and the trustee under any trust agreements, except to the extent the rights herein given may be restricted by such trust agreement or the resolution authorizing the issuance of such bonds, may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights under the laws of the State or granted hereunder, or, to the extent permitted by law, under such trust agreement or resolution authorizing the issuance of such bonds or under any agreement or other contract executed by the municipality or joint agency pursuant to this Chapter, and may enforce and compel the performance of all duties required by this Chapter or by such trust agreement or resolution to be performed by any joint agency or municipality or by any officer thereof, including the fixing, charging and collecting of rents, rates, fees and charges. (1975, c. 186, s. 1.)

§ 159B-20. Status of bonds under Uniform Commercial Code. — Whether or not the bonds and interest coupons appertaining thereto are of such form and character as to be investment securities under Article 8 of the Uniform Commercial Code as enacted in this State, all bonds and interest coupons appertaining thereto issued under this Chapter are hereby made investment securities within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code as enacted in this State, subject only to the provisions of the bonds pertaining to registration. (1975, c. 186, s. 1.)

§ 159B-21. Bonds eligible for investment. — Bonds issued by a municipality or joint agency under the provisions of this Chapter are hereby made securities

in which all public officers and agencies of the State and all political subdivisions, all insurance companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any officer or agency of the State or any political subdivision for any purpose for which the deposit of bonds or obligations of the State or any political subdivision is now or may hereafter be authorized by law. (1975, c. 186, s. 1.)

§ 159B-22. Agreement of the State. — The State does hereby covenant and agree with the holders of any bonds that so long as any bonds of a municipality or joint agency are outstanding and unpaid the State will not limit or alter the rights vested in such municipality or joint agency to acquire, construct, reconstruct, improve, enlarge, better, extend, own, operate and maintain its electric system or any project or interest therein, as the case may be, or to establish, maintain, revise, charge, and collect the rents, rates, fees and charges referred to in this Chapter and to fulfill the terms of any agreements made with the holders of the bonds or in any way impair the rights and remedies of the bondholders, until the bonds, together with interest thereon, interest on any unpaid installment of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of the bondholders, are fully paid, met and discharged. (1975, c. 186, s. 1.)

§ 159B-23. Limited liability. — The bonds shall be special obligations of the municipality or joint agency issuing them. The principal of, premium, if any, and interest on the bonds shall not be payable from the general funds of the municipality or joint agency, nor shall they constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of its property or upon any of its income, receipts, or revenues, except the funds which are pledged under the resolution authorizing the bonds or the trust agreement securing the bonds. Neither the faith and credit nor the taxing power of a municipality or of the State are, or may be, pledged for the payment of the principal of or interest on the bonds, and no holder of the bonds shall have the right to compel the exercise of the taxing power by the State or a municipality or the forfeiture of any of its property in connection with any default thereon. Every bond shall recite in substance that the principal of and interest on the bond is payable solely from the revenues pledged to its payment and that the municipality or joint agency is not obligated to pay the principal or interest except from such revenues. (1975, c. 186, s. 1.)

§ 159B-24. Approval and sale of bonds. — Prior to the acquisition or the commencement of construction of any project to be financed by the issuance of bonds under the provisions of this Chapter, the participating municipalities or joint agency, as the case may be, shall first obtain a certificate of public convenience and necessity and, in the same proceeding, the approval required by G.S. 159B-4 hereof, in the case of the participating municipalities, or the approval required by G.S. 159B-11 hereof, in the case of a joint agency, from the North Carolina Utilities Commission under such rules, regulations and procedures as the Commission may prescribe.

No municipality or joint agency shall issue any bonds pursuant to this Chapter unless and until, and only to the extent that, the issuance of such bonds is approved by the Local Government Commission. A participating municipality or joint agency shall file with the secretary of the Local Government Commission an application for Commission approval of the issuance of the bonds upon such form as the said Commission may prescribe, which form shall provide for the submission of such information as the secretary may require concerning the proposed bond issue, the details thereof and the security therefor. Before he

accepts the application, the secretary may require the governing board or its representatives to attend a preliminary conference at which time the secretary and his deputies may informally discuss the details of the proposed issue and the security therefor.

After an application in proper form has been filed, and after a preliminary conference if one is required, the secretary shall notify the municipality or joint agency in writing that the application has been filed and accepted for submission to the Commission. The secretary's statement shall be conclusive evidence that the municipality or joint agency, as the case may be, has complied with the requirements of this section with respect to the filing of an application for approval by the said Local Government Commission.

In determining whether a proposed bond issue shall be approved, the Commission may consider:

(1) The municipality's or joint agency's debt management procedures and policies.

(2) Whether the municipality or joint agency is in default with respect to any of its debt service obligations.

(3) Whether, based upon feasibility reports submitted to it, the probable revenues of the project to be financed or the revenues of the municipality's electric system, as the case may be, will be sufficient to service the proposed bonds.

The Commission may inquire into and give consideration to any other matters that it may believe to have a bearing on whether the issue should be approved except matters which are expressly required by the provisions of this Chapter to be determined by the North Carolina Utilities Commission.

The Commission shall approve the application if, upon the information and evidence it receives, it finds and determines:

(1) That, based upon engineering studies and feasibility reports submitted to it, the principal amount of the proposed bonds will be adequate and not excessive for the proposed purpose of the issue.

(2) That the municipality's or joint agency's debt management procedures and policies are good, or that reasonable assurances have been given that its debt will henceforth be managed in strict compliance with law.

(3) That the requirements of this Chapter with respect to the issuance of the bonds and the details thereof and security therefor have been, or will be, satisfied.

(4) That the issuance of the proposed bonds will effectuate the purposes and policies of this Chapter.

After considering an application, the Local Government Commission shall enter its order either approving or denying the application. An order approving an issue shall not be regarded as an approval of the legality of the bonds in any respect.

If the Commission enters an order denying the application, the proceedings under this section shall be at an end.

At any time after the Commission approves an application for the issuance of bonds, the governing board of the issuer may adopt a bond resolution or enter into a trust agreement in accordance with the provisions of this Chapter, and may thereafter at one time, or from time to time, issue the bonds as provided herein.

Upon the filing with the Local Government Commission of a resolution of the issuer requesting that its bonds be sold, such bonds may be sold in such manner, either at public or private sale, and for such price as the Local Government Commission shall determine to be for the best interest of the issuer and effectuate best the purposes of this Chapter, provided that such sale shall be approved by the issuer.

Except as herein expressly provided, bonds may be issued and sold under the provisions of this Chapter without obtaining the approval or consent of any other department, division, commission, board, bureau or agency of the State, and without any other proceeding or the happening of any other condition or thing than those proceedings, conditions or things which are specifically required by this Chapter. (1975, c. 186, s. 1.)

§ 159B-25. Refunding bonds. — A municipality or joint agency is hereby authorized to provide by resolution for the issuance of refunding bonds of the municipality or joint agency for the purpose of refunding any bonds then outstanding which shall have been issued under the provisions of this Chapter, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds. The issuance of such bonds, the maturities and other details thereof, the rights of the holders thereof, and the rights, duties and obligations of the municipality or joint agency in respect to the same shall be governed by the provisions of this Chapter which relate to the issuance of bonds, insofar as such provisions may be appropriate therefor. (1975, c. 186, s. 1.)

§ 159B-26. Tax exemption. — Bonds, their transfer and the income therefrom (including any profit made on the sale thereof), shall at all times be free from taxation by the State or any political subdivision or any agency of either thereof, excepting inheritance or gift taxes. (1975, c. 186, s. 1.)

§ 159B-27. Taxes; payments in lieu of taxes. — A project jointly owned by municipalities or owned by a joint agency shall be exempt from property taxes; provided, however, that each municipality possessing an ownership share of a project, and a joint agency owning a project, shall, in lieu of property taxes, pay to any governmental body authorized to levy property taxes the amount which would be assessed as taxes on real and personal property of a project if such project were otherwise subject to valuation and assessment by the State Board of Assessment. Such payments in lieu of taxes shall be due and shall bear interest if unpaid, as in the cases of taxes on other property. Payments in lieu of taxes made hereunder shall be treated in the same manner as taxes for purposes of all procedural and substantive provisions of law. Power and energy derived from a municipality's ownership share in a project and power and energy sold by a joint agency shall be subject to taxes; provided, however, that the tax on power and energy derived from a municipality's ownership share in a project shall be based on the cost of production and transmission thereof.

Except as herein expressly provided with respect to jointly owned projects or projects owned by a joint agency no other property of a municipality used or useful in the generation, transmission and distribution of electric power and energy shall be subject to payments in lieu of taxes. (1975, c. 186, s. 1.)

§ 159B-28. Personnel. — Personnel employed or appointed by a municipality to work on a joint project or for a joint agency shall have the same authority, rights, privileges and immunities (including coverage under the workmen's compensation laws) which the officers, agents and employees of the appointing municipality enjoy within the territory of that municipality, whether within or without the territory of the appointing municipality, when they are acting within the scope of their authority or in the course of their employment.

Personnel employed or appointed directly by a joint agency or by a nonprofit operating agency of the participating municipalities or of the joint agency, shall be qualified for participation in the North Carolina Local Government Employees Retirement System with the same rights, privileges, obligations and responsibilities as they would have if they were employees of a municipality. (1975, c. 186, s. 1.)

§ 159B-29. Dissolution of joint agencies. — Whenever the board of commissioners of a joint agency and the governing boards of its member municipalities shall by resolution or ordinance determine that the purposes for which the joint agency was formed have been substantially fulfilled and that all bonds theretofore issued and all other obligations theretofore incurred by the joint agency have been fully paid or satisfied, such board of commissioners and governing boards may declare the joint agency to be dissolved. On the effective date of such resolution or ordinance, the title to all funds and other property owned by the joint agency at the time of such dissolution shall vest in the member municipalities of the joint agency as provided in this Chapter and the bylaws of the joint agency. (1975, c. 186, s. 1.)

§ 159B-30. Annual reports. — Each joint agency shall, following the closing of each fiscal year, submit an annual report of its activities for the preceding year to the governing boards of its member municipalities and to the North Carolina Utilities Commission. Each such report shall set forth in a form prescribed by the North Carolina Utilities Commission a complete operating and financial statement covering the operations of the joint agency during such year. The joint agency shall cause an audit of its books of record and accounts to be made at least once in each year by certified public accountant(s) and the cost thereof may be treated as a part of the cost of construction of a project or projects, or otherwise as part of the expense of administration of a project covered by such audit.

The municipalities possessing ownership interests in a project shall, following the closing of each fiscal year, submit a consolidated or combined annual report of their activities with respect to such project for the preceding year to the respective governing board of such municipalities and to the North Carolina Utilities Commission. Each such report shall set forth in a form prescribed by the North Carolina Utilities Commission a complete operating and financial statement covering the operations of the jointly owned project during such year. The municipalities possessing ownership interests in a project shall cause an audit of the books of record and accounts relating to such project to be made at least once in each year by certified public accountant(s) and the cost thereof may be treated as a cost of construction of the project, or otherwise as part of the expenses of the administration of the project covered by such audit. (1975, c. 186, s. 1.)

§ 159B-31. Legislative consent to the application of laws of other states. — Legislative consent is hereby given

(1) To the application of the laws of other states with respect to taxation, payments in lieu of taxes, and the assessment thereof, to any municipality or joint agency created pursuant to this Chapter, which has acquired or has an interest in a project, real or personal, situated without the State, or which owns or operates a project without the State pursuant to this Chapter, and

(2) To the application of regulatory and other laws of other states and of the United States to any municipality or joint agency which owns or operates a project without the State. (1975, c. 186, s. 1.)

§ 159B-32. Government grants and loans. — The governing board of any municipality or joint agency is hereby authorized to make application and to enter into contracts for and to accept grants-in-aid and loans from the federal and State governments and their agencies for planning, acquiring, constructing, expanding, maintaining and operating any project or facility, or participating in any research or development program, or performing any function which such municipality or joint agency may be authorized by general or local law to provide or perform.

In order to exercise the authority granted by this section, the governing board of any municipality or joint agency may:

(1) Enter into and carry out contracts with the State or federal government or any agency or institution thereof under which such government, agency or institution grants financial or other assistance to the municipality or joint agency;
(2) Accept such assistance or funds as may be granted or loaned by the State or federal government with or without such a contract;
(3) Agree to and comply with any reasonable conditions which are imposed upon such grants or loans;
(4) Make expenditures from any funds so granted. (1975, c. 186, s. 1.)

§ 159B-33. Eminent domain. — Municipalities participating in a joint project and joint agencies shall possess the power of eminent domain to the extent and in the same manner and under the same laws as municipalities pursuant to Article 11 of Chapter 160A of the General Statutes of North Carolina; provided, however, that a municipality or joint agency exercising the power of eminent domain for a purpose authorized by this Chapter shall have no power to condemn an existing facility used for the generation, transmission or distribution of electric power and energy; provided, further, that the North Carolina Utilities Commission shall have the power and authority to order that the lines and rights-of-way of any public utility or electric membership corporation, municipalities participating in a joint project or any joint agency may be crossed by any municipalities participating in a joint project or any joint agency or that the lines of any municipalities participating in a joint project or any joint agency may be crossed by any public utility or electric membership corporation pursuant to the provisions of G.S. 62-39; provided, further, when any municipalities participating in a joint project, or any joint agency, proposes to condemn the lands or rights-of-way of any public utility, electric membership corporation, municipalities participating in a joint project or any joint agency, or any public utility or electric membership corporation proposes to condemn the lands or rights-of-way of any municipalities participating in a joint project or any joint agency, not then used for the generation, transmission or distribution of electric power and energy but held for future use or development, the party desiring to condemn shall file a petition with the North Carolina Utilities Commission requesting authority to condemn such lands or rights-of-way. Upon such petition, the North Carolina Utilities Commission shall have the power and authority, after notice and hearing, to order that such lands or rights-of-way, or parts thereof, may be condemned, and its order shall be final, subject to appeal as provided in this section. In all such cases in which the Commission permits condemnation and when the parties affected cannot agree upon the damages to be paid for the lands or rights-of-way to be condemned, it shall be the duty of the Commission to fix the damages, if any, to be paid in such amounts as may be just and equitable. Any party shall have the right of appeal from any final order or decision or determination of the North Carolina Utilities Commission as to matters of crossings and condemnation of property held for future use or development pursuant to the provisions of Article 5 of Chapter 62 of the General Statutes of North Carolina. (1975, c. 186, s. 1.)

§ 159B-34. Officers not liable. — No commissioner of any joint agency or officer of any municipality or person or persons acting in their behalf, while acting within the scope of their authority, shall be subject to any personal liability or accountability by reason of his carrying out any of the powers expressly or impliedly given in this Chapter. (1975, c. 186, s. 1.)

§ 159B-35. Additional method. — The foregoing sections of this Chapter shall be deemed to provide an additional, alternative and complete method for the doing of the things authorized thereby and shall be deemed and construed

to be supplemental and additional to powers conferred by other laws, and shall not be regarded as in derogation of any powers now existing; provided, however, that insofar as the provisions of this Chapter are inconsistent with the provisions of any other general, special or local law, the provisions of this Chapter shall be controlling. Nothing in this Chapter shall be construed to authorize the issuance of bonds for the purpose of financing facilities to be owned by any private corporation. (1975, c. 186, s. 1.)

§ 159B-36. Chapter liberally construed. — In order to effectuate the purposes and policies prescribed in this Chapter the provisions hereof shall be liberally construed. (1975, c. 186, s. 3.)

Chapter 159C.

Industrial and Pollution Control Facilities Financing Act.

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Editor's Note. — This Chapter is Chapter 159A as enacted by Session Laws 1975, c. 800, and recodified. It replaces the original Chapter 159A, which was held unconstitutional in Stanley v. Department of Conservation & Dev., 284 N.C. 15, 199 S.E.2d 641 (1973).

Session Laws 1975, c. 800, s. 5, provides: "This Chapter shall become effective upon the certification by the State Board of Elections that an amendment to the North Carolina Constitution authorizing the enactment of general laws dealing with the transactions of the type contemplated by this Chapter has been approved by the people of the State."

Session Laws 1975, c. 826, proposes to amend Article V of the Constitution of North Carolina by adding a new § 9, authorizing the General Assembly to authorize the counties to create authorities to issue revenue bonds to finance industrial and pollution control projects for industry and pollution control projects for public utilities. The amendment was adopted by vote of the people at the election held March 23, 1976.

Session Laws 1975, c. 800, s. 4, contains a severability clause.

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§ 159C-1. Short title. — This Chapter may be referred to as the "Industrial and Pollution Control Facilities Financing Act." (1975, c. 800, s. 1.)

§ 159C-2. Legislative findings and purposes. — (a) The General Assembly finds and determines that there exists in the State a critical condition of unemployment and a scarcity of employment opportunities; that the economic insecurity which results from such unemployment and scarcity of employment opportunities constitutes a serious menace to the safety, morals and general welfare of the entire State; that such unemployment and scarcity of employment opportunities have caused many workers and their families, including young adults upon whom future economic prosperity is dependent, to migrate elsewhere to find employment and establish homes; that such emigration has resulted in a reduced rate of growth in the tax base of the counties and other local governmental units of the State which impairs the financial ability of such counties and other local governmental units to support education and other local governmental services; that such unemployment results in obligations to grant public assistance and to pay unemployment compensation; that the aforesaid conditions can best be remedied by the attraction, stimulation, expansion and rehabilitation and revitalization of industrial and manufacturing facilities for industry in the State; and that there is a need to stimulate a larger flow of private investment funds into industrial building programs into the State.

(b) The General Assembly further finds and determines that the development and expansion of industry within the State, and the generation of electric power and the supply of other services by public utilities, which are essential to the economic growth of the State and to the full employment and prosperity of its people, are accompanied by the increased production and discharge of gaseous, liquid, and solid pollution and wastes which threaten and endanger the health, welfare and safety of the inhabitants of the State by polluting the air, land and waters of the State; that in order to reduce, control, and prevent such environmental pollution, it is imperative that action be taken at various levels of government to require the provision of devices, equipment and facilities for the collection, reduction, treatment, and disposal of such pollution and wastes; that the assistance provided in this Chapter, especially with respect to financing, is therefore in the public interest and serves a public purpose of the State in promoting the health, welfare and safety of the inhabitants of the State not only physically by collecting, reducing, treating and preventing environmental pollution but also economically by securing and retaining private industry thereby maintaining a higher level of employment and economic activity and stability.

(c) It is therefore declared to be the policy of the State to promote the right to gainful employment opportunity, private industry, the prevention and control of the pollution of the air, land and waters of the State, and the safety, morals and health of the people of the State, and thereby promote general welfare of the people of the State, by authorizing counties to create county authorities which shall be political subdivisions and bodies corporate and politic of the State. These bodies are to be formed (i) to aid in the financing of industrial and manufacturing facilities for the purpose of alleviating unemployment or raising below average manufacturing wages by financing industrial and manufacturing facilities which provide job opportunities or pay better wages than those prevalent in the area and (ii) to aid in financing pollution control facilities for industry in connection with manufacturing and industrial facilities and for public utilities; provided, however, that it is the policy of the State to finance only those facilities where there is a direct or indirect favorable impact on employment or an improvement in the degree of prevention or control of pollution commensurate with the size and cost of the facilities. (1975, c. 800, s. 1.)

§ 159C-3. Definitions. — The following terms, whenever used or referred to in this Chapter, shall have the following respective meanings, unless a different meaning clearly appears from the context:

(1) "Agency" shall include any agency, bureau, commission, department or instrumentality.

(2) "Air pollution control facility" shall mean any structure, equipment or other facility for, including any increment in the cost of any structure, equipment or facility attributable to, the purpose of treating, neutralizing or reducing gaseous industrial waste and other air pollutants, including recovery, treatment, neutralizing or stabilizing plants and equipment and their appurtenances, which shall have been certified by the agency having jurisdiction to be in furtherance of the purpose of abating or controlling atmospheric pollutants or contaminants.

(3) "Bonds" shall mean revenue bonds of an authority issued under the provisions of this Chapter.

(4) "Cost" as applied to any project shall embrace all capital costs thereof, including the cost of construction, the cost of acquisition of all property, including rights in land and other property, both real and personal and improved and unimproved, the cost of demolishing, removing or relocating any buildings or structures on lands so acquired, including the cost of acquiring any lands to which such buildings or structures

may be moved or relocated, the cost of all machinery and equipment, installation, start-up expenses, financing charges, interest prior to, during and for a period not exceeding one year after completion of construction, the cost of engineering and architectural surveys, plans and specifications, the cost of consultants' and legal services, other expenses necessary or incident to determining the feasibility or practicability of such project, administrative and other expenses necessary or incident to the acquisition or construction of such project and the financing of the acquisition and construction thereof.

(5) "Governing body" shall mean the board, commission, council or other body in which the general legislative powers of any county or other political subdivision are vested.

(6) "Lease agreement" shall mean a written instrument establishing the rights and responsibilities of the authority and the operator with respect to a project financed by the issue of bonds. A lease agreement may be in the nature of a lease, a lease and leaseback, a sale and leaseback, or a lease purchase and may involve property in addition to the property financed by the bonds.

(7) "Obligor" shall mean collectively the operator and any others who shall be obligated under a lease agreement or guaranty agreement or other contract or agreement to make payments to, or for the benefit of, the holders of bonds of the authority. Any requirement of an obligor may be satisfied by any one or more persons who are defined collectively by this Chapter as the obligor.

(8) "Operator" shall mean the person entitled to the use or occupancy of a project.

(9) "Political subdivision" shall mean any county, city, town, other unit of local government or any other governmental corporation, agency, authority or instrumentality of the State now or hereafter existing.

(10) "Pollution" and "pollutants" shall mean any noxious or deleterious substances in any air or waters of or adjacent to the State of North Carolina or affecting the physical, chemical or biological properties of any air or waters of or adjacent to the State of North Carolina in a manner and to an extent which renders or is likely to render such air or waters harmful or inimical to the public health, safety or welfare, or to animal, bird or aquatic life, or to the use of such air or waters for domestic, industrial or agricultural purposes or recreation.

(11) "Project" shall mean any land, equipment or any one or more buildings or other structures, whether or not on the same site or sites, and any rehabilitation, improvement, renovation or enlargement of, or any addition to, any building or structure for use as or in connection with (i) any industrial project for industry which project may be any industrial or manufacturing factory, mill, assembly plant or fabricating plant, or (ii) any pollution control project for industry or for public utilities which project may be any air pollution control facility, water pollution control facility, or solid waste disposal facility in connection with any factory, mill or plant described in clause (i) of this subdivision or in connection with a public utility plant, or (iii) any combination of projects mentioned in clauses (i) and (ii) of this subdivision. Any project may include all appurtenances and incidental facilities such as land, headquarters or office facilities, warehouses, distribution centers, access roads, sidewalks, utilities, railway sidings, trucking and similar facilities, parking facilities, landing strips and other facilities for aircraft, waterways, docks, wharves and other improvements necessary or convenient for the construction, maintenance and operation of any building or structure, or addition thereto.

(12) "Revenues" shall mean, with respect to any project, the rents, fees, charges, payments, proceeds and other income or profit derived therefrom or from the lease agreement or security document in connection therewith.

(13) "Security document" shall mean a written instrument or instruments establishing the rights and responsibilities of the authority and the holders of bonds issued to finance a project, and may provide for, or be in the form of an agreement with, a trustee for the benefit of such bondholders. A security document may contain an assignment, pledge, mortgage or other encumbrance of all or part of the authority's interest in, or right to receive revenues with respect to, a project and any other property provided by the operator or other obligor under a lease agreement and may bear any appropriate title. A lease agreement and a security document may be combined as one instrument.

(14) "Solid waste" shall mean solid waste materials resulting from any industrial or manufacturing activities or from any pollution control facility.

(15) "Solid waste disposal facility" shall mean a facility for the purpose of treating, burning, compacting, composting, storing or disposing of solid waste.

(16) "Water pollution control facility" shall mean any structure, equipment or other facility for, including any increment in the cost of any structure, equipment or facility attributable to, the purpose of treating, neutralizing or reducing liquid industrial waste and other water pollution, including collecting, treating, neutralizing, stabilizing, cooling, segregating, holding, recycling, or disposing of liquid industrial waste and other water pollution, including necessary collector, interceptor, and outfall lines and pumping stations, which shall have been certified by the agency exercising jurisdiction to be in furtherance of the purpose of abating or controlling water pollution. (1975, c. 800, s. 1.)

§ 159C-4. Creation of authorities. — (a) The governing body of any county is hereby authorized to create by resolution a political subdivision and body corporate and politic of the State known as "The . . . . . (the blank space to be filled in with the name of the county) County Industrial Facilities and Pollution Control Financing Authority," which shall consist of a board of seven commissioners, to be appointed by the governing body of such county in the resolution creating such authority, or by subsequent resolution. At least 30 days prior to the adoption of such resolution, the governing body of such county shall file with the Department of Natural and Economic Resources and the Local Government Commission of the State notice of its intention to adopt a resolution creating an authority. At the time of the appointment of the first board of commissioners the governing body of the county shall appoint two commissioners for initial terms of two years each, two commissioners for initial terms of four years each and three commissioners for initial terms of six years each and thereafter the terms of all commissioners shall be six years, except appointments to fill vacancies which shall be for the unexpired terms. Each appointed commissioner before entering upon his duties shall take and subscribe to an oath before some person authorized by law to administer oaths to execute the duties of his office faithfully and impartially, and a record of each such oath shall be filed with the governing body of the county and entered in its minutes. All authority commissioners will serve at the pleasure of the governing body of the county. If at the end of any term of office of any commissioner a successor thereto shall not have been appointed, then the commissioner whose term of office shall have expired shall continue to hold office until his successor shall be so appointed and qualified.

(b) Each commissioner of an authority shall be a qualified elector and resident of the county for which the authority is created, and no commissioner shall be an officer or employee of the State or any political subdivision or any agency of either of them. Any commissioner of an authority may be removed, with or without cause, by the governing body of the county.

(c) The board of commissioners of the authority shall annually elect from its membership a chairman and a vice-chairman and another person or persons, who may but need not be commissioners, as treasurer, secretary and, if desired, assistant secretary. The position of secretary and treasurer or assistant secretary and treasurer may be held by the same person. The secretary of the authority shall keep a record of the proceedings of the authority and shall be the custodian of all books, documents and papers filed with the authority, the minute book or journal of the authority and its official seal. Either the secretary or the assistant secretary of the authority may cause copies to be made of all minutes and other records and documents of the authority and may give certificates under the official seal of the authority to the effect that such copies are true copies, and all persons dealing with the authority may rely upon such certificates.

(d) A majority of the commissioners of an authority then in office shall constitute a quorum. The affirmative vote of a majority of the commissioners of an authority then in office shall be necessary for any action taken by the authority. A vacancy in the board of commissioners of the authority shall not impair the right of a quorum to exercise all the rights and perform all the duties of the authority. Any action taken by the authority under the provisions of this Chapter may be authorized by resolution at any regular or special meeting, and each resolution shall take effect immediately and need not be published or posted. No bonds shall be issued under the provisions of this Chapter unless the issuance thereof shall have been approved by the governing body of the county.

(e) No commissioner of an authority shall receive any compensation for the performance of his duties under this Chapter; provided, however, that each commissioner shall be reimbursed for his necessary expenses incurred while engaged in the performance of duties but only from moneys provided by obligors.

(f) Within 30 days of the date of creation of the authority, the authority shall advise the Department of Natural and Economic Resources and the Local Government Commission that an authority has been formed. The authority shall also furnish such Department and such Commission with (i) a list of its commissioners and its officers and (ii) a description of any projects that are under consideration by the authority. The authority shall, from time to time, notify the Department of Natural and Economic Resources and the Local Government Commission of changes in commissioners and officers and of new projects under consideration by the authority. (1975, c. 800, s. 1.)

§ 159C-5. General powers. — Each authority shall have all of the powers necessary or convenient to carry out and effectuate the purposes and provisions of this Chapter, including, but without limiting the generality of the foregoing, the powers:

(1) To adopt bylaws for the regulation of its affairs and the conduct of its business and to prescribe rules, regulations and policies in connection with the performance of its functions and duties;

(2) To adopt an official seal and alter the same at pleasure;

(3) To maintain an office at such place or places within the boundaries of the county for which it was created as it may determine;

(4) To sue and be sued in its own name, plead and be impleaded;

(5) To receive, administer and comply with the conditions and requirements respecting any gift, grant or donation of any property or money;

(6) To make and execute lease agreements, security documents and other contracts and instruments necessary or convenient in the exercise of the powers and functions of the authority under this Chapter;
(7) To acquire by purchase, lease, gift or otherwise, but not by eminent domain, or to obtain options for the acquisition of, any property, real or personal, improved or unimproved, and interests in land less than the fee thereof, for the construction, operation or maintenance of any project;
(8) To sell, lease, exchange, transfer or otherwise dispose of, or to grant options for any such purposes with respect to, any real or personal property or interest therein;
(9) To pledge or assign revenues of the authority;
(10) To construct, acquire, own, repair, maintain, extend, improve, rehabilitate, renovate, furnish and equip one or more projects and to pay all or any part of the costs thereof from the proceeds of bonds of the authority or from any contribution, gift or donation or other funds made available to the authority for such purpose;
(11) To fix, charge and collect revenues with respect to any project;
(12) To employ consulting engineers, architects, attorneys, real estate counselors, appraisers and such other consultants and employees as may be required in the judgment of the authority and to fix and pay their compensation from funds available to the authority therefor; and
(13) To do all acts and things necessary, convenient or desirable to carry out the purposes, and to exercise the powers herein granted. (1975, c. 800, s. 1.)

§ 159C-6. Bonds. — Each authority is hereby authorized to provide for the issuance, at one time or from time to time, of bonds of the authority for the purpose of paying all or any part of the cost of any project. The principal of, the interest on and any premium payable upon the redemption of such bonds shall be payable solely from the funds herein authorized for such payment. The bonds of each issue shall bear interest as may be determined by the Local Government Commission of North Carolina with the approval of the authority and the obligor irrespective of the limitations of G.S. 24-1.1, as amended, and successor provisions. The bonds of each issue shall be dated, shall mature at such time or times not exceeding 30 years from the date of their issuance, and may be made redeemable before maturity at such price or prices and under such terms and conditions, as may be fixed by the authority prior to the issuance of the bonds. The authority shall determine the form and the manner of execution of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. The authority may also provide for the authentication of the bonds by a trustee or fiscal agent. The bonds may be issued in coupon or in fully registered form, or both, as the authority may determine, and provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest, and for the interchange of registered and coupon bonds.

The proceeds of the bonds of each issue shall be used solely for the payment of the cost of the project or projects, or a portion thereof, for which such bonds shall have been issued, and shall be disbursed in such manner and under such restrictions, if any, as the authority may provide in the lease agreement and the security document. If the proceeds of the bonds of any issue, by reason of

increased construction costs or error in estimates or otherwise, shall be less than such cost, additional bonds may in like manner be issued to provide the amount of such deficiency. The authority may issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds have been executed and are available for delivery. The authority may also provide for the replacement of any bonds which shall become mutilated or shall be destroyed or lost.

Bonds may be issued under the provisions of this Chapter without obtaining, except as otherwise expressly provided in this Chapter, the consent of the State or of any political subdivision or of any agency of either thereof, and without any other proceedings or the happening of any conditions or things other than those proceedings, conditions or things which are specifically required by this Chapter and the provisions of the lease agreement and security document authorizing the issuance of such bonds and securing the same. (1975, c. 800, s. 1.)

§ 159C-7. Approval of project. — No bonds may be issued by an authority unless the project for which the issuance thereof is proposed is first approved by the Secretary of the Department of Natural and Economic Resources. The authority shall file an application for approval of its proposed project with the Secretary of the Department of Natural and Economic Resources, and shall notify the Local Government Commission of such filing.

The Secretary shall not approve any proposed project unless he shall make all of the following, applicable findings:

(1) In the case of a proposed industrial project,
   a. That the operator of the proposed project pays, or has agreed to pay thereafter, an average manufacturing wage which is above the average manufacturing wage paid in the county, and
   b. That the proposed project will not have a materially adverse effect on the environment;
(2) In the case of a proposed pollution control project, that such project will have a materially favorable impact on the environment or will prevent or diminish materially the impact of pollution which would otherwise occur; and
(3) In any case (whether the proposed project is an industrial or a pollution control project), except a pollution control project for a public utility,
   a. That the jobs to be generated or saved, directly or indirectly, by the proposed project will be large enough in number to have a measurable impact on the area immediately surrounding the proposed project and will be commensurate with the size and cost of the proposed project,
   b. That the proposed operator of the proposed project has demonstrated or can demonstrate the capability to operate such project, and
   c. That the financing of such project by the authority will not cause or result in the abandonment of an existing industrial or manufacturing facility of the proposed operator or an affiliate elsewhere within the State unless the facility is to be abandoned because of obsolescence, lack of available labor in the area, or site limitations.

In any case where the Secretary shall make all of the required findings respecting a proposed industrial project except that prescribed in subparagraph (1)a of this section, the Secretary may, in his discretion, approve the proposed project if he shall have received (i) a resolution of the governing body of the county requesting that the proposed project be approved notwithstanding that the operator will not pay an average manufacturing wage above the average manufacturing wage in the county and (ii) a letter from an appropriate State

official, selected by the Secretary, to the effect that unemployment in the county is especially severe.

To facilitate his review of each proposed project, the Secretary may require the authority to obtain and submit such data and information about such project as the Secretary may prescribe. In addition, the Secretary may, in his discretion, request the authority to hold a public hearing on the proposed project for the purpose of providing the Secretary directly with the views of the community to be affected. The Secretary may also prescribe such forms and such rules and regulations as he shall deem reasonably necessary to implement the provisions of this section.

If the Secretary approves the proposed project, he shall prepare a certificate of approval evidencing such approval and setting forth his findings and shall cause said certificate of approval to be published in a newspaper of general circulation within the county. Any such approval shall be reviewable as provided in Article 4 of Chapter 150A of the General Statutes of North Carolina only by an action filed, within 30 days after notice of such findings and approval shall have been so published, in the Superior Court of Wake County. Such Superior Court is hereby vested with jurisdiction to hear such action, but if no such action is filed within the 30 days herein prescribed, the validity of such approval shall be conclusively presumed, and no court shall have authority to inquire into such approval. Copies of the certificate of approval of the proposed project will be given to the authority, the governing body of the county and the Secretary of the Local Government Commission.

Such certificate of approval shall become effective immediately following the expiration of such 30-day period or the expiration of any appeal period after a final determination by any court of any action timely filed pursuant to this section. Such certificate shall expire one year after its date unless extended by the Secretary who shall not extend such certificate unless he shall again approve the proposed project as provided in this section. (1975, c. 800, s. 1.)

§ 159C-8. Approval of bonds. — No bonds may be issued by an authority unless the issuance thereof is first approved by the Local Government Commission.

The authority shall file an application for approval of its proposed bond issue with the Secretary of the Local Government Commission, and shall notify the Secretary of the Department of Natural and Economic Resources of such filing.

In determining whether a proposed bond issue should be approved, the Local Government Commission may consider, without limitation, the following:

(1) Whether the proposed operator and obligor have demonstrated or can demonstrate the financial responsibility and capability to fulfill their obligations with respect to the lease agreement. In making such determination, the Commission may consider the operator's experience and the obligor's ratio of current assets to current liabilities, net worth, earnings trends and coverage of fixed charges, the nature of the industry or business involved and its stability and any additional security such as insurance, guaranties or property to be pledged to secure such bonds.

(2) Whether the political subdivisions in or near which the proposed project is to be located have the ability to cope satisfactorily with the impact of such project and to provide, or cause to be provided, the public facilities and services, including utilities, that will be necessary for such project and on account of any increase in population which are expected to result therefrom.

(3) Whether the proposed date and manner of sale will have an adverse effect upon any scheduled or anticipated sale of obligations by the State or any political subdivision or any agency of either of them.

To facilitate the review of the proposed bond issue by the Commission, the Secretary may require the authority to obtain and submit such financial data and information about the proposed bond issue and the security therefor, including the proposed prospectus or offering circular, the proposed lease agreement and security document and annual and other financial reports and statements of the obligor, as the Secretary may prescribe. The Secretary may also prescribe such forms and such rules and regulations as he shall deem reasonably necessary to implement the provisions of this section. (1975, c. 800, s. 1.)

§ 159C-9. Sale of bonds. — Bonds may be sold in such manner, either at public or private sale, and for such price as the Local Government Commission shall determine to be for the best interests of the authority and effectuate best the purposes of this Chapter irrespective of the interest limitations set forth in G.S. 24-1.1, as amended, and successor provisions, provided that such sale shall be approved by the authority and the obligor. (1975, c. 800, s. 1.)

§ 159C-10. Location of projects. — Any project or projects of an authority shall be located within the boundaries of the county for which the authority was created. (1975, c. 800, s. 1.)

§ 159C-11. Lease agreements. — Every lease agreement shall provide that:

(1) The authority shall not operate the project;

(2) The amounts payable under the lease agreement shall be sufficient to pay all of the principal of and interest and redemption premium, if any, on the bonds that shall be issued by the authority to pay the cost of the project as the same shall respectively become due;

(3) The obligor shall pay all costs incurred by the authority in connection with the financing and administration of the project, except as may be paid out of the proceeds of bonds or otherwise, including, but without limitation, insurance costs, the cost of administering the lease agreement and the security document and the fees and expenses of the fiscal agent or trustee, paying agents, attorneys, consultants and others;

(4) The obligor shall pay all the costs and expenses of operation, maintenance and upkeep of the project; and

(5) The obligor's obligation to provide for the payment of the bonds in full shall not be subject to cancellation, termination or abatement until such payment of the bonds or provision therefor shall be made.

The lease agreement shall either provide that the obligor shall have an option to purchase, or require that the obligor purchase, the project upon the expiration or termination of the lease agreement subject to the condition that payment in full of the principal of, and the interest and any redemption premium on, the bonds, or provision therefor, shall have been made.

The lease agreement may provide the authority with rights and remedies in the event of a default by the obligor thereunder including, without limitation, any one or more of the following:

(1) Acceleration of all amounts payable under the lease agreement;

(2) Reentry and repossession of the project;

(3) Termination of the lease agreement;

(4) Leasing the project to others; and

(5) Taking whatever actions at law or in equity may appear necessary or desirable to collect the amounts payable under, and to enforce covenants made in, the lease agreement.

The authority may assign all or any of its rights and remedies under the lease agreement to the trustee or bondholders under the security document.

Any such lease agreement may contain such additional provisions as in the determination of the authority are necessary or convenient to effectuate the purposes of this Chapter. (1975, c. 800, s. 1.)

§ 159C-12. Security documents. — Bonds issued under the provisions of this Chapter may be secured by a security document which may be a trust instrument between the authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the State. Such security document may pledge and assign the revenues provided for the security of the bonds, including proceeds from the sale of any project, or part thereof, insurance proceeds and condemnation awards, and may convey or mortgage the project and other property to secure a bond issue.

The revenues and other funds derived from the project, except such part thereof as may be necessary to provide reserves therefor, if any, shall be set aside at such regular intervals as may be provided in such security document in a sinking fund which may be thereby pledged to, and charged with, the payment of the principal of and the interest on such bonds as the same shall become due and the redemption price or the purchase price of bonds retired by call or purchase as therein provided. Such pledge shall be valid and binding from the time when the pledge is made. The revenues so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority, irrespective of whether such parties have notice thereof. The use and disposition of money to the credit of such sinking fund shall be subject to the provisions of the security document. Such security document may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including, without limitation, any one or more of the following:

(1) Acceleration of all amounts payable under the security document;
(2) Appointment of a receiver to manage the project and any other property mortgaged or assigned as security for the bonds;
(3) Foreclosure and sale of the project and any other property mortgaged or assigned as security for the bonds; and
(4) Rights to bring and maintain such other actions at law or in equity as may appear necessary or desirable to collect the amounts payable under, or to enforce the covenants made in, the security document.

It shall be lawful for any bank or trust company incorporated under the laws of this State which may act as depositary of the proceeds of bonds, revenues or other funds provided under this Chapter to furnish such indemnifying bonds or to pledge such securities as may be required by the authority. All expenses incurred in carrying out the provisions of such security document may be treated as a part of the cost of the project in connection with which bonds are issued or as an expense of administration of such project. (1975, c. 800, s. 1.)

§ 159C-13. Trust funds. — Notwithstanding any other provisions of law to the contrary, all money received pursuant to the authority of this Chapter, whether as proceeds from the sale of bonds or as revenues, shall be deemed to be trust funds to be held and applied solely as provided in this Chapter. The security document may provide that any of such moneys may be temporarily invested and reinvested pending the disbursement thereof in such securities and other investments as shall be provided in such security document, and shall provide that any officer with whom, or any bank or trust company with which, such moneys shall be deposited shall act as trustee of such moneys and shall hold and apply the same for the purpose hereof, subject to such regulations as this Chapter and such security document may provide. (1975, c. 800, s. 1.)

§ 159C-14. Tax exemption. — The authority shall not be required to pay any taxes on any project or any other property owned by the authority under the provisions of this Chapter or upon the income therefrom, and the bonds issued under the provisions of this Chapter and the income therefrom shall at all times be free from taxation by the State or political subdivision or any agency of either thereof.

Every capital project financed through this Chapter shall be subject to taxation paid by the operator of the project. Taxes shall be assessed and paid as though no public body had any interest therein. (1975, c. 800, s. 1.)

§ 159C-15. Construction contracts. — Contracts for the construction of the project may be awarded by the authority in such manner as in its judgment will best promote free and open competition, including advertisement for competitive bids in a newspaper of general circulation in the county in which the project is to be located; provided, however, that if the authority shall determine that the purposes of the Chapter will thereby be more effectively served, the authority in its discretion may award contracts for the construction of any project, or any part thereof, upon a negotiated basis as determined by the authority. The authority shall prescribe such bid security requirements and other procedures in connection with the award of such contracts as in its judgment shall protect the public interest.

The authority may in the lease agreement engage the services of the prospective operator of any project in the construction of such project and may provide in such contract that such operator shall act as an independent contractor for and agent of the authority for the performance of the functions described therein, subject to such conditions and requirements, consistent with the provisions of this Chapter as shall be prescribed in such document. Contracts for the construction of the project may be awarded on a competitive or negotiated basis as may be provided in the lease document with the approval of the authority. Any such contract may provide that the authority may, out of proceeds of bonds, make advances to or reimburse the operator for its costs incurred in the performance of such functions. (1975, c. 800, s. 1.)

§ 159C-16. Conflict of interest. — No officer, member, agent or employee of the authority or the State or any political subdivision or any agency of either the State or any political subdivision shall be interested either directly or indirectly in any contract with an authority; provided, however, that this section shall not apply to the ownership of less than one per centum (1%) of the stock of any operator or obligor. (1975, c. 800, s. 1.)

§ 159C-17. Credit of State not pledged. — Bonds issued under the provisions of this Chapter shall not be deemed to constitute a debt of the State or any political subdivision or any agency thereof or a pledge of the faith and credit of the State or any political subdivision or any such agency, but shall be payable solely from the revenues and other funds provided therefor. Each bond issued under this Chapter shall contain on the face thereof a statement to the effect that the authority shall not be obligated to pay the same or the interest thereon except from the revenues and other funds pledged therefor and that neither the faith and credit nor the taxing power of the State or any political subdivision or any agency thereof is pledged to the payment of the principal of or the interest on such bonds. (1975, c. 800, s. 1.)

§ 159C-18. Bonds eligible for investment. — Bonds issued by an authority under the provisions of this Chapter are hereby made securities in which all public officers and agencies of the State and all political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may

properly and legally invest funds, including capital in their control or belonging to them. (1975, c. 800, s. 1.)

§ 159C-19. Revenue refunding bonds. — (a) Each authority is hereby authorized to provide by resolution for the issuance of refunding bonds of the authority for the purpose of refunding any bonds then outstanding which shall have been issued under the provisions of this Chapter, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds, and, if deemed advisable by the authority, for either or both of the following additional purposes:

(1) Constructing improvements, additions, extensions or enlargements of the project or projects in connection with which the bonds to be refunded shall have been issued, and

(2) Paying all or any part of the cost of any additional project or projects.

The issuance of such bonds, the maturities and other details thereof, the rights of the holders thereof, and the rights, duties and obligations of the authority in respect to the same shall be governed by the provisions of this Chapter which relate to the issuance of bonds, insofar as such provisions may be appropriate therefor.

The approvals required by G.S. 159C-7 and 159C-8 shall be obtained prior to the issuance of any refunding bonds; provided, however, that in the case where the refunding bonds of all or a portion of an issue are to be issued solely for the purpose of refunding outstanding bonds issued under this Chapter, the approval required by G.S. 159C-7 shall not be required as to the project financed with the bonds to be refunded.

(b) Refunding bonds issued under this section may be sold or exchanged for outstanding bonds issued under this Chapter and, if sold, the proceeds thereof may be applied, in addition to any other authorized purposes, to the purchase, redemption or payment of such outstanding bonds. Refunding bonds may be issued, in the determination of the authority, at any time not more than five years prior to the date of maturity or maturities or the date selected for the redemption of the bonds being refunded thereby. Pending the application of the proceeds of such refunding bonds, with any other available funds, to the payment of the principal of and accrued interest and any redemption premium on the bonds being refunded, and, if so provided or permitted in the security document securing the same, to the payment of any interest on such refunding bonds and any expenses in connection with such refunding, such proceeds may be invested in direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America which shall mature or which shall be subject to redemption by the holder thereof, at the option of such holder, not later than the respective dates when the proceeds, together with the interest accruing thereon, will be required for the purposes intended. (1975, c. 800, s. 1.)

§ 159C-20. No power of eminent domain. — No authority shall have any right or power to acquire any property through the exercise of eminent domain or any proceedings in the nature of eminent domain. (1975, c. 800, s. 1.)

§ 159C-21. Dissolution of authorities. — Whenever the board of commissioners of an authority and the governing body of the county for which such authority was created shall by joint resolution determine that the purposes for which the authority was formed have been substantially fulfilled and that all bonds theretofore issued and all other obligations theretofore incurred by the authority have been fully paid or satisfied, such board of commissioners and governing body may declare the authority to be dissolved. On the effective date of such joint resolution, the title to all funds and other property owned by the authority at the time of such dissolution shall vest in the county or in such other political subdivisions as the county shall direct, and possession of such funds

and other property shall forthwith be delivered to the county or to such other political subdivisions in accordance with the direction of the county. (1975, c. 800, s. 1.)

§ 159C-22. Annual reports. — Each authority shall, promptly following the close of each calendar year, submit an annual report of its activities for the preceding year to the governing body of the county for which the authority was created. Each such report shall set forth a complete operating and financial statement covering the operations of the authority during such year. The authority shall cause an audit of its books and accounts to be made at least once in each year by certified public accountants and the cost thereof may be treated as a part of the cost of construction of a project, to the extent such audit covers the construction of the project, or otherwise as part of the expense of administration of the project covered by such audit. (1975, c. 800, s. 1.)

§ 159C-23. Officers not liable. — No commissioner of any authority shall be subject to any personal liability or accountability by reason of his execution of any bonds or the issuance thereof. (1975, c. 800, s. 1.)

§ 159C-24. Additional method. — The foregoing sections of this Chapter shall be deemed to provide an additional and alternative method for the doing of the things authorized thereby and shall be regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded as in derogation of any powers now existing; provided, however, that the issuance of bonds or refunding bonds under the provisions of this Chapter need not comply with the requirements of any other law applicable to the issuance of bonds. (1975, c. 800, s. 1.)

§ 159C-25. Liberal construction. — This Chapter, being necessary for the prosperity and welfare of the State and its inhabitants, shall be liberally construed to effect the purposes hereof. (1975, c. 800, s. 2.)

§ 159C-26. Inconsistent laws inapplicable. — Insofar as the provisions of this Chapter are inconsistent with the provisions of any general, special or local laws, or parts thereof, the provisions of this Chapter shall be controlling. (1975, c. 800, s. 3.)

Chapter 160.

Municipal Corporations.

SUBCHAPTER I. REGULATIONS INDEPENDENT OF ACT OF 1917.

Article 1.

General Powers.

Sec.
160-1 to 160-4.1. [Repealed.]

Article 2.

Municipal Officers.

Part 1. Commissioners.

160-5 to 160-9.1. [Repealed.]

Part 2. Mayor.

160-10 to 160-16. [Repealed.]

Part 3. Constable and Policemen.

160-17 to 160-20.3. [Repealed.]
160-20.4. [Transferred.]
160-21. [Repealed.]

Part 4. Planning Boards.

160-22 to 160-24. [Repealed.]

Part 5. General Qualification of Officers.

160-25 to 160-27. [Repealed.]

Part 6. Reduction of Salaries.

160-28. [Repealed.]

Part 7. Defense of Employees and Officials.

160-28.1. [Repealed.]

Article 3.

Elections Regulated.

160-29 to 160-51.1. [Repealed.]

Article 4.

Ordinances and Regulations.

160-52 to 160-55. [Repealed.]

Article 5.

Municipal Taxation.

160-56 to 160-58.1. [Repealed.]

Article 6.

Sale of Municipal Property.

160-59 to 160-61.2. [Repealed.]

Article 7.

General Municipal Debts.

160-62 to 160-64. [Repealed.]

Article 8.

Public Libraries.

Sec.
160-65 to 160-77. [Transferred.]

Article 8A.

Regional Councils of Local Officials.

160-77.1 to 160-77.6. [Repealed.]

Article 9.

Local Improvements.

160-78 to 160-105. [Repealed.]

Article 10.

Inspection of Meters.

160-106 to 160-114. [Repealed.]

Article 11.

Regulation of Buildings.

160-115 to 160-154. [Repealed.]

Article 12.

Recreation Systems and Playgrounds.

160-155 to 160-166. [Repealed.]

Article 12A.

Bird Sanctuaries.

160-166.1, 160-166.2. [Repealed.]

Article 12B.

Rural Recreation Districts.

160-166.3 to 160-166.17. [Transferred.]

Article 13.

Market Houses.

160-167 to 160-171. [Repealed.]

Article 14.

Zoning Regulations.

160-172 to 160-178. [Repealed.]
160-178.1 to 160-178.5. [Transferred.]
160-179 to 160-181.2. [Repealed.]

Article 14A.

Preservation of Open Spaces and Areas

160-181.3 to 160-181.10. [Repealed.]

Article 14B.

Community Appearance Commissions

160-181.11 to 160-181.15. [Transferred.]

Article 15.

Repair, Closing and Demolition of Unfit Dwellings.

Sec.
160-182 to 160-191. [Repealed.]

Article 15A.

Liability for Negligent Operation of Motor Vehicles.

160-191.1 to 160-191.5. [Repealed.]

Article 15B.

Joint Water Supply Facilities.

160-191.6 to 160-191.10. [Repealed.]

Article 15C.

Rescue Squads.

160-191.11. [Repealed.]

SUBCHAPTER II. MUNICIPAL CORPORATION ACT OF 1917.

Article 16.

Operation of Subchapter.

160-192 to 160-194. [Repealed.]

Article 17.

Municipal Board of Control.

160-195 to 160-198.5. [Transferred.]

Article 18.

Powers of Municipal Corporations.

Part 1. General Powers Enumerated.

160-199 to 160-203.1. [Repealed.]

Part 2. Power to Acquire Property.

160-204 to 160-205.1. [Repealed.]
160-205.2. [Transferred.]
160-206 to 160-221. [Repealed.]

Part 3. Streets and Sidewalks.

160-222 to 160-225. [Repealed.]

Part 3A. Subdivisions.

160-226 to 160-227.1. [Repealed.]

Part 4. Markets.

160-228. [Repealed.]

Part 5. Protection of Public Health.

160-229 to 160-234. [Repealed.]

Part 6. Fire Protection.

160-235 to 160-238. [Repealed.]

Part 7. Sewerage.

160-239 to 160-254. [Repealed.]

Part 8. Light, Water, Sewer and Gas Systems.

Sec.
160-255 to 160-257.1. [Repealed.]

Part 9. Care of Cemeteries.

160-258 to 160-260.2. [Repealed.]

Part 10. Municipal Taxes.

160-261 to 160-266. [Repealed.]

Article 19.

Exercise of Powers by Governing Body.

Part 1. Municipal Meetings.

160-267 to 160-269. [Repealed.]

Part 2. Ordinances.

160-270 to 160-272. [Repealed.]

Part 3. Officers.

160-273 to 160-278. [Repealed.]

Part 4. Contracts Regulated.

160-279 to 160-281.3. [Repealed.]

Part 5. Control of Public Utilities, Institutions, and Charities.

160-282 to 160-285. [Repealed.]

Part 6. Effect upon Existing Regulations.

160-286 to 160-289. [Repealed.]

Article 20.

Accounting System.

160-290. [Repealed.]

Article 21.

Amendment of City Charters.

Part 1. Composition and Mode of Election of Governing Board.

160-291. [Repealed.]

Part 2. City Manager.

160-292 to 160-294. [Repealed.]

Part 3. How Amendment Adopted.

160-295 to 160-302. [Repealed.]

Part 4. Effect of Adoption.

160-303 to 160-307. [Repealed.]

Article 22.

Different Forms of Municipal Government.

160-308 to 160-352. [Repealed.]

Article 23.

Amendment and Repeal of Charter.

160-353 to 160-363. [Repealed.]

Article 23A.

Changing the Name of a Municipal Corporation.

Sec.
160-363.1, 160-363.2. [Repealed.]

Article 24.

Elections Regulated.

160-364 to 160-366. [Repealed.]

SUBCHAPTER III. MUNICIPAL FINANCE ACT.

Article 25.

General Provisions.

160-367 to 160-370. [Repealed.]

Article 26.

Budget and Appropriations.

160-371, 160-372. [Repealed.]

Article 27.

Temporary Loans.

160-373 to 160-376. [Repealed.]

Article 28.

Permanent Financing.

160-377 to 160-398. [Repealed.]

Article 29.

Restrictions upon the Exercise of Municipal Powers.

160-399 to 160-402. [Repealed.]

Article 30.

General Effect of Municipal Finance Act.

160-403. [Repealed.]

Article 31.

Municipal Fiscal Agency Act.

160-404, 160-405. [Repealed.]

Article 32.

Municipal Bond Registration Act.

160-406 to 160-408. [Repealed.]

SUBCHAPTER IV. FISCAL CONTROL.

Article 33.

Fiscal Control.

160-409 to 160-412.5. [Repealed.]

Article 34.

Revenue Bond Act of 1938.

160-413 to 160-424. [Repealed.]

Article 34A.

Bonds to Finance Sewage Disposal System.

Sec.
160-424.1 to 160-424.8. [Repealed.]

SUBCHAPTER V. CAPITAL RESERVE FUNDS.

Article 35.

Capital Reserve Funds.

160-425 to 160-444. [Repealed.]

SUBCHAPTER VI. EXTENSION OF CORPORATE LIMITS.

Article 36.

Extension of Corporate Limits.

Part 1. In General.

160-445 to 160-453. [Transferred.]

Part 2. Municipalities of Less than 5,000.

160-453.1 to 160-453.12. [Transferred.]

Part 3. Municipalities of 5,000 or More.

160-453.13 to 160-453.24. [Transferred.]

SUBCHAPTER VII. URBAN REDEVELOPMENT.

Article 37.

Urban Redevelopment Law.

160-454 to 160-474.2. [Transferred.]

SUBCHAPTER VIII. PARKING AUTHORITIES AND FACILITIES.

Article 38.

Parking Authorities.

160-475. Short title.
160-476. Definitions.
160-477. Creation of authority.
160-478. Appointment, removal, etc., of commissioners; quorum; chairman; vice-chairman, agents and employees; duration of authority.
160-479. Duty of authority and commissioners.
160-480. Interested commissioners or employees.
160-481. Purpose and powers of the authority.
160-482. Conveyance of property by the city to the authority; acquisition of property by the city or by the authority.
160-483. Contracts.
160-484. Moneys of the authority.
160-485 to 160-489. [Repealed.]
160-490. Bonds legal investments for public officers and fiduciaries.
160-491. Exemptions from taxation.
160-492. Tax contract by the State.

Sec.
160-493. [Repealed.]
160-494. Actions against the authority.
160-495. Termination of authority.
160-496. Inconsistent provisions in other acts superseded.

Article 39.

Financing Parking Facilities.

160-497 to 160-507. [Repealed.]

SUBCHAPTER IX. PHOTOGRAPHIC REPRODUCTION OF RECORDS.

Article 40.

Photographic Reproduction of Records.

160-508, 160-509. [Repealed.]

SUBCHAPTER X. ELECTRIC SERVICE IN MUNICIPAL AREAS.

Article 41.

Electric Service in Municipal Areas.

Sec.
160-510 to 160-519. [Repealed.]

SUBCHAPTER XI. ASSESSMENTS AGAINST RAILROADS.

Article 42.

Assessments against Railroads.

160-520, 160-521. [Repealed.]

SUBCHAPTER I. REGULATIONS INDEPENDENT OF ACT OF 1917.

ARTICLE 1.

General Powers.

§§ 160-1 to 160-4.1: Repealed by Session Laws 1971, c. 698, s. 2.

ARTICLE 2.

Municipal Officers.

Part 1. Commissioners.

§§ 160-5 to 160-9.1: Repealed by Session Laws 1971, c. 698, s. 2.

Part 2. Mayor.

§§ 160-10 to 160-12: Repealed by Session Laws 1971, c. 698, s. 2.

§§ 160-13 to 160-16: Repealed by Session Laws 1967, c. 826, s. 1.

Part 3. Constable and Policemen.

§§ 160-17 to 160-20.3: Repealed by Session Laws 1971, c. 698, s. 2.

§ 160-20.4: Transferred to § 160A-283 by Session Laws 1971, c. 896, s. 4.

§ 160-21: Repealed by Session Laws 1971, c. 698, s. 2.

Part 4. Planning Boards.

§§ 160-22 to 160-24: Repealed by Session Laws 1971, c. 698, s. 2.

Part 5. General Qualification of Officers.

§§ 160-25 to 160-27: Repealed by Session Laws 1971, c. 698, s. 2.

Part 6. Reduction of Salaries.

§ 160-28: Repealed by Session Laws 1969, c. 870.

Part 7. Defense of Employees and Officials.

§ 160-28.1: Repealed by Session Laws 1971, c. 698, s. 2.

ARTICLE 3.

Elections Regulated.

§§ 160-29 to 160-51.1: Repealed by Session Laws 1971, c. 698, s. 2.

ARTICLE 4.

Ordinances and Regulations.

§§ 160-52 to 160-55: Repealed by Session Laws 1971, c. 698, s. 2.

ARTICLE 5.

Municipal Taxation.

§§ 160-56 to 160-58.1: Repealed by Session Laws 1971, c. 698, s. 2.

ARTICLE 6.

Sale of Municipal Property.

§§ 160-59 to 160-61.2: Repealed by Session Laws 1971, c. 698, s. 2.

ARTICLE 7.

General Municipal Debts.

§§ 160-62 to 160-64: Repealed by Session Laws 1971, c. 698, s. 2.

Editor's Note. — Sections 160-62 to 160-64 were also repealed by Session Laws 1971, c. 780, s. 10.

ARTICLE 8.

Public Libraries.

§§ 160-65 to 160-77: Transferred to §§ 153-250.1 to 153-250.13 by Session Laws 1971, c. 698, s. 3.

ARTICLE 8A.

Regional Councils of Local Officials.

§§ 160-77.1 to 160-77.6: Repealed by Session Laws 1971, c. 698, s. 2.

ARTICLE 9.

Local Improvements.

§§ 160-78 to 160-105: Repealed by Session Laws 1971, c. 698, s. 2.

ARTICLE 10.

Inspection of Meters.

§§ 160-106 to 160-114: Repealed by Session Laws 1971, c. 698, s. 2.

ARTICLE 11.

Regulation of Buildings.

§§ 160-115 to 160-143: Repealed by Session Laws 1971, c. 698, s. 2.

§§ 160-144 to 160-154: Repealed by Session Laws 1969, c. 1065, s. 1.

ARTICLE 12.

Recreation Systems and Playgrounds.

§§ 160-155 to 160-164: Repealed by Session Laws 1971, c. 698, s. 2.

§§ 160-165, 160-166: Repealed by Session Laws 1945, c. 1052.

ARTICLE 12A.

Bird Sanctuaries.

§§ 160-166.1, 160-166.2: Repealed by Session Laws 1971, c. 698, s. 2.

ARTICLE 12B.

Rural Recreation Districts.

§§ 160-166.3 to 160-166.17: Transferred to §§ 153-368 to 153-382 by Session Laws 1971, c. 698, s. 4.

ARTICLE 13.

Market Houses.

§§ 160-167, 160-168: Repealed by Session Laws 1971, c. 698, s. 2.

§ 160-169: Repealed by Session Laws 1953, c. 901, s. 3.

§§ 160-170, 160-171: Repealed by Session Laws 1971, c. 698, s. 2.

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§§ 160-172 to 160-178: Repealed by Session Laws 1971, c. 698, s. 2.

§§ 160-178.1 to 160-178.5: Transferred to §§ 160A-395 to 160A-399 by Session Laws 1971, c. 896, s. 7.

§§ 160-179 to 160-181.2: Repealed by Session Laws 1971, c. 698, s. 2.

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§§ 160-181.3 to 160-181.9: Repealed by Session Laws 1971, c. 698, s. 2.

§ 160-181.10: Repealed by Session Laws 1969, c. 1003, s. 9.

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§§ 160-181.11 to 160-181.15: Transferred to §§ 160A-451 to 160A-455 by Session Laws 1971, c. 896, s. 6.

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Editor's Note. — Section 160-290 was also repealed by Session Laws 1971, c. 780, s. 11.

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SUBCHAPTER VIII. PARKING AUTHORITIES AND FACILITIES.

ARTICLE 38.

Parking Authorities.

§ 160-475. Short title. — This Article may be cited as the "Parking Authority Law." (1951, c. 779, s. 1.)

§ 160-476. Definitions. — As used or referred to in this Article, unless a different meaning clearly appears from the context:

(1) The term "authority" shall mean a public body and a body corporate and politic organized in accordance with this Article for the purposes, with the powers and subject to the restrictions hereinafter set forth;

(2) The term "bonds" shall mean bonds authorized by this Article;

(3) The term "city" shall mean the city that is, or is about to be, included in the territorial boundaries of an authority when created hereunder;

(4) The term "city clerk" shall mean the clerk of the city or the officer thereof charged with the duties customarily imposed on the clerk;

(5) The term "city council" shall mean the legislative body, council, board of commissioners, or other body charged with governing the city;

(6) The term "commissioner" shall mean one of the members of an authority, appointed in accordance with the provisions of this Article;

(7) The term "parking project" shall mean any area or place operated or to be operated by the authority for the parking or storing of motor and other vehicles, open to public use for a fee, and shall without limiting the foregoing, include all real and personal property, driveways, roads, approaches, structures, garages, meters, mechanical equipment, and all appurtenances and facilities either on, above or under the ground which are used or usable in connection with such parking or storing of such vehicles, including on-street parking meters if so provided by the governing authority;

(8) The term "real property" shall mean lands, structures, franchises, and interest in lands, and any and all things usually included within the said term, and includes not only fees simple absolute but also any and all lesser interests, such as easements, rights-of-way, uses, leases, licenses, and all other incorporeal hereditaments and every estate, interest or right, legal or equitable, including terms of years, and liens thereon by way of judgments, mortgages or otherwise, and also claims for damage to real estate. (1951, c. 779, s. 2; 1965, c. 998, s. 1.)

§ 160-477. Creation of authority. — The city council of any city may, upon its own initiative, and shall, upon petition of 25 or more residents of the city, hold a public hearing on the question whether or not it is necessary for the city to organize an authority under the provisions of this Article. Notice of the time, place and purpose of such hearing shall be given by publication in a newspaper of general circulation in the city, at least once, at least 10 days before such hearing. At such hearing, an opportunity to be heard shall be granted to all residents and taxpayers of the city and all other interested persons. If, after such hearing, the city council shall by resolution determine that it is necessary for the city to organize an authority under the provisions of this Article, the city council shall appoint, as hereinafter provided, five commissioners to act as an authority. Said commission shall be a public body and a body corporate and politic upon the completion of the taking of the following proceedings:

The commissioners shall present or cause to be presented to the Secretary of State of North Carolina a written application signed by them, which shall set forth

(1) A statement that the city council has, pursuant to this Article, and after a public hearing held as herein required, determined that it is necessary for the city to organize an authority under the provisions of this Article, and has appointed the signers of such application as commissioners of such an authority;
(2) A statement that the commissioners desire the authority to become a public body and a body corporate and politic under this Article;
(3) The name, address and term of office of each of the commissioners;
(4) The name which is proposed for the corporation; and
(5) The location and the principal office of the proposed corporation.

The application shall be accompanied by a copy, certified by the city clerk, of the resolution or resolutions of the city council making such determination and appointments. The application shall be subscribed and sworn to by each of said commissioners before an officer authorized by law to take and certify oaths, who shall certify upon the application that he personally knows said commissioners and knows them to be the persons appointed as stated in the application, and that each subscribed and swore thereto in the officer's presence. The Secretary of State shall examine the application and if he finds that the name proposed for the corporation is not identical with that of a person or any other corporation of this State or so nearly similar as to lead to confusion and uncertainty, he shall receive and file it and shall record it in an appropriate book of record in his office.

When the application has been made, filed and recorded, as herein provided, the authority shall constitute a public body and body corporate and politic under the name proposed in the application; and the Secretary of State shall make and issue a certificate of incorporation pursuant to this Article, under the seal of the State, and shall record the same with the application.

The boundaries of such authority shall be coterminous with those of such city.

In any suit, action or proceeding involving the validity or enforcement of or relating to any contract of the authority, the authority shall be conclusively deemed to have been established in accordance with the provisions of this Article upon proof of the issuance of the aforesaid certificate by the Secretary of State. A copy of such certificate, duly certified by the Secretary of State, shall be admissible in evidence in any such suit, action or proceeding, and shall be conclusive proof of the filing and contents thereof. (1951, c. 779, s. 3.)

§ 160-478. Appointment, removal, etc., of commissioners; quorum; chairman; vice-chairman, agents and employees; duration of authority. — An authority shall consist of five commissioners appointed by the city council, and the city council shall designate the first chairman. No commissioner shall be a city official.

The commissioners who are first appointed shall be designated by the city council to serve for terms of one, two, three, four and five years respectively from the date of their appointment. Thereafter, the term of office shall be five years. A commissioner shall hold office until his successor has been appointed by the city council and has qualified. Vacancies shall be filled by the city council for the unexpired term. Three commissioners shall constitute a quorum. A commissioner shall receive no compensation for his services, but he shall be entitled to reimbursement for his actual and necessary expenses incurred in the performance of his official duties.

When the office of the first chairman of the authority becomes vacant, the authority shall select a chairman from among its members. An authority shall select from among its members a vice-chairman, and it may employ a secretary (who shall be executive director), technical experts and such other officers, agents and employees, permanent or temporary, as it may require, and shall determine their qualifications, duties and compensation. An authority may, with the consent of the city council call upon the city attorney or chief law officer of the city for such legal services as it may require, or it may employ its own

counsel and legal staff. An authority may delegate to one or more of its agents or employees such powers or duties as it may deem proper. The city council may remove any member of the authority for inefficiency, neglect of duty or misconduct in office, giving him a copy of the charges against him and an opportunity of being heard in person, or by counsel, in his defense upon not less than 10 days' notice.

Such authority and its corporate existence shall continue only for a period of five years and thereafter until all its liabilities have been met and its bonds have been paid in full or such liabilities or bonds have otherwise been discharged. Upon its ceasing to exist, all its rights and properties shall pass to the city. (1951, c. 779, s. 4.)

§ 160-479. Duty of authority and commissioners. — The authority and its commissioners shall be under a statutory duty to comply or cause compliance strictly with all provisions of this Article and, in addition thereto, with each and every term, provision and covenant in any contract of the authority on its part to be kept or performed. (1951, c. 779, s. 5.)

§ 160-480. Interested commissioners or employees. — No commissioner or employee of an authority shall acquire any interest direct or indirect in any parking project or in any property included or planned to be included in any parking project, nor shall he have any interest direct or indirect in any contract or proposed contract for materials or services to be furnished or used in connection with any parking project. If any commissioner or employee of an authority owns or controls an interest direct or indirect in any property included or planned to be included in any parking project, he shall immediately disclose the same in writing to the authority and such disclosure shall be entered upon the minutes of the authority. Failure to so disclose such interest shall constitute misconduct in office. (1951, c. 779, s. 6.)

§ 160-481. Purpose and powers of the authority. — An authority incorporated under this Article shall constitute a public body and a body corporate and politic, exercising public powers as an agency or instrumentality of the city with which it is coterminous. The purpose of the authority shall be to relieve traffic congestion of the streets and public places in the city by means of parking facilities, and to that end to acquire, construct, improve, operate and maintain one or more parking projects in the city. To carry out said purpose, the authority shall have power:

(1) To sue and be sued;
(2) To have a seal and alter the same at pleasure;
(3) To acquire, hold and dispose of personal property for its corporate purposes, including the power to purchase prospective or tentative awards in connection with the condemnation of real property;
(4) To acquire by purchase or condemnation, and use real property necessary or convenient. All real property acquired by the authority by condemnation shall be acquired in the manner provided by law for the condemnation of land by the city;
(5) To make bylaws for the management and regulation of its affairs, and subject to agreements with bondholders, for the regulation of parking projects;
(6) To make contracts and leases, and to execute all instruments necessary or convenient;
(7) To construct such buildings, structures and facilities as may be necessary or convenient;
(8) To construct, reconstruct, improve, maintain and operate parking projects;
(9) To accept grants, loans or contributions from the United States, the State of North Carolina, or any agency or instrumentality of either of

them, or the city, and to expend the proceeds for any purposes of the authority;

(10) To fix and collect rentals, fees and other charges for the use of parking projects or any of them subject to and in accordance with such agreements with bondholders as may be made as hereinafter provided;

(11) To do all things necessary or convenient to carry out the purpose of the authority and the powers expressly given to it by this Article;

(12) To issue revenue bonds under the Local Government Revenue Bond Act. (1951, c. 779, s. 7; 1965, c. 998, s. 2; 1971, c. 780, s. 18.)

Local Modification. — City of Kinston: 1957, c. 860, s. 1.

§ 160-482. Conveyance of property by the city to the authority; acquisition of property by the city or by the authority. — (a) The city may convey, with or without consideration, to the authority real and personal property owned by the city for use by the authority as a parking project or projects or a part thereof. In case of real property so conveyed, the instrument of conveyance shall contain a provision for reversion of the property to the city upon the termination of the corporate existence of the authority or upon the termination of the use of the property for the corporate purpose of the authority. Such conveyance of property by the city to the authority may be made without regard to the provisions of other laws regulating sales of property by the city or requiring previous advertisement of sales of property by the city.

(b) The city may acquire by purchase or condemnation real property in the name of the city for the authority or for the widening of existing roads, streets, parkways, avenues or highways or for new roads, streets, parkways, avenues or highways to any of the parking projects, or partly for such purposes and partly for other city purposes, by purchase or condemnation in the manner provided by law for the acquisition of real property by the city. The city may close such streets, roads, parkways, avenues, or highways as may be necessary or convenient.

(c) Contracts may be entered into between the city and the authority providing for the property to be conveyed by the city to the authority, the additional property to be acquired by the city and so conveyed, the streets, roads, parkways, avenues and highways to be closed by the city, and the amounts, terms and conditions of payment to be made by the authority. Such contracts may contain covenants by the city as to the road, street, parkway, avenue and highway improvements to be made by the city, including provisions for the installation of parking meters in designated streets of the city and for the removal of such parking meters in the event that such parking meters are not found to be necessary or convenient. Any such contract may pledge all or any part of the revenues of on-street parking meters to the authority for a period of not to exceed the period during which bonds of the authority shall be outstanding; provided, that the total amount of such revenues which may be paid pursuant to such a pledge shall not exceed the total of the principal of and interest on such bonds which become due and payable during such period. Such contracts may also contain provisions limiting or prohibiting the construction and operation by the city or any agency thereof in designated areas of public parking facilities and parking meters whether or not a fee or charge is made therefor. Any such contracts between the city and the authority may be pledged by the authority to secure its bonds and may not be modified thereafter except as provided by the terms of the contracts or by the terms of the pledge. The city council may authorize such contracts on behalf of the city and no other authorization on the part of the city for such contracts shall be necessary.

(d) The authority may itself acquire real property for a parking project at the cost and expense of the authority by purchase or condemnation pursuant to the laws relating to the condemnation of land by the city.

(e) In case the authority shall acquire any real property which it shall determine is no longer required for a parking project, then, if such real property was acquired at the cost and expense of the city, the authority shall have power to convey it without consideration to the city, or, if such real property was acquired at the cost and expense of the authority, then the authority shall have power to sell, lease or otherwise dispose of said real property and shall retain and have the power to use the proceeds of sale, rentals or other moneys derived from the disposition thereof for its purposes. (1951, c. 779, s. 8; 1965, c. 998, s. 3.)

§ 160-483. Contracts. — The authority shall let contracts in the manner provided by law for contracts of the city. (1951, c. 779, s. 9.)

§ 160-484. Moneys of the authority. — All moneys of the authority shall be paid to the treasurer of the city as agent of the authority, who shall designate depositories and who shall not commingle such moneys with any other moneys. Such moneys shall be deposited in a separate bank account or accounts. The moneys in such accounts shall be paid out on checks of the treasurer on written requisition of the chairman of the authority or of such other person or persons as the authority may authorize to make such requisitions. All deposits of such moneys shall be secured in the manner provided by law for securing deposits of moneys of the city. The city accountant of the city and his legally authorized representatives are authorized and empowered from time to time to examine the accounts and books of the authority, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other records and papers relating to its financial standing. The authority shall cause an annual audit of its accounts to be made by a certified public accountant or firm of certified public accountants, and shall cause a copy of the report of each such audit to be filed with the city clerk, who shall present the same to the city council. The authority shall have power, notwithstanding the provisions of this section to contract with the holders of any of its bonds as to the custody, collection, securing, investment and payment of any moneys of the authority or any moneys held in trust or otherwise for the payment of bonds or in any way to secure bonds, and to carry out any such contract notwithstanding that such contract may be inconsistent with the previous provisions of this section. Moneys held in trust or otherwise for the payment of bonds or in any way to secure bonds and deposits of such moneys may be secured in the same manner as moneys of the authority, and all banks and trust companies are authorized to give such security for such deposits. (1951, c. 779, s. 10.)

§§ 160-485 to 160-489: Repealed by Session Laws 1971, c. 780, s. 19.

§ 160-490. Bonds legal investments for public officers and fiduciaries. — The bonds are hereby made securities in which all public officers and bodies of this State and all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, investment companies and other persons carrying on a banking business and all other persons whatsoever, except as hereinafter provided, who are now or may hereafter be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds including capital in their control or belonging to them; provided that, notwithstanding the provisions of any other general or special law to the contrary, such bonds shall not be eligible for the investment of funds, including capital, trusts, estates or guardianships under the control of individual

administrators, guardians, executors, trustees and other individual fiduciaries. The bonds are also hereby made securities which may be deposited with and may be received by all public officers and bodies of this State and all municipalities and municipal subdivisions for any purpose for which the deposit of bonds or other obligations of this State is now or may hereafter be authorized. (1951, c. 779, s. 15.)

§ 160-491. Exemptions from taxation. — It is hereby found, determined and declared that the creation of the authority and the carrying out of its corporate purposes is in all respects for the benefit of the people of the State of North Carolina, for the improvement of their health, welfare and prosperity, and for the promotion of their traffic, and is a public purpose, and that the authority will be performing an essential governmental function in the exercise of the powers conferred upon it by this Article, and the State of North Carolina covenants with the holders of the bonds that the authority shall be required to pay no taxes or assessments upon any of the property acquired by it or under its jurisdiction, control, possession or supervision or upon its activities in the operation and maintenance of the project or any tolls, revenues or other income received by the authority and that the bonds of the authority and the income therefrom shall at all times be exempt from taxation, except for transfer and estate taxes. (1951, c. 779, s. 16.)

§ 160-492. Tax contract by the State. — The State of North Carolina covenants with the purchasers and with all subsequent holders and transferees of bonds issued by the authority pursuant to this article, in consideration of the acceptance of and payment for the bonds, that the bonds of the authority issued pursuant to this article and the income therefrom, and all moneys, funds and revenues pledged to pay or secure the payment of such bonds, shall at all times be free from taxation except for transfer and estate taxes. (1951, c. 779, s. 17.)

§ 160-493: Repealed by Session Laws 1971, c. 780, s. 19.

§ 160-494. Actions against the authority. — In every action against the authority for damages, for injuries to real or personal property, or for the destruction thereof, or for personal injuries or death, the complaint shall contain an allegation that at least 30 days have elapsed since the demand, claim or claims upon which such action is founded were presented to a member of the authority, or to its secretary, or to its chief executive officer and that the authority has neglected or refused to make an adjustment or payment thereof for 30 days after such presentment. (1951, c. 779, s. 19.)

§ 160-495. Termination of authority. — Whenever all of the bonds issued by the authority shall have been redeemed or canceled, the authority shall cease to exist and all rights, titles and interests and all obligations and liabilities thereof vested in or possessed by the authority shall thereupon vest in and be possessed by the city. (1951, c. 779, s. 20.)

§ 160-496. Inconsistent provisions in other acts superseded. — Insofar as the provisions of this Article are inconsistent with the provisions of any other act, general or special, the provisions of this Article shall be controlling. This Article shall not repeal or modify any other act providing a different method of financing parking projects in cities, the powers conferred hereby being intended to be in addition to and not in substitution for the powers conferred by other acts. (1951, c. 799, s. 22.)

ARTICLE 39.

Financing Parking Facilities.

§§ 160-497 to 160-507: Repealed by Session Laws 1971, c. 780, s. 17.

SUBCHAPTER IX. PHOTOGRAPHIC REPRODUCTION OF RECORDS.

ARTICLE 40.

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SUBCHAPTER X. ELECTRIC SERVICE IN MUNICIPAL AREAS.

ARTICLE 41.

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§§ 160-510 to 160-519: Repealed by Session Laws 1971, c. 698, s. 2.

SUBCHAPTER XI. ASSESSMENTS AGAINST RAILROADS.

ARTICLE 42.

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§§ 160-520, 160-521: Repealed by Session Laws 1971, c. 698, s. 2.

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ARTICLE 1.

Definitions and Statutory Construction.

§ 160A-1. Application and meaning of terms. — Unless otherwise specifically provided, or unless otherwise clearly required by the context, the words and phrases defined in this section shall have the meaning indicated when used in this Chapter.

(1) "Charter" means the entire body of local acts currently in force applicable to a particular city, including articles of incorporation issued to a city by an administrative agency of the State, and any amendments thereto adopted pursuant to 1917 Public Laws, c. 136, Subchapter 16, Part VIII, sections 1 and 2, or Article 5, Part 4, of this Chapter.

(2) "City" means a municipal corporation organized under the laws of this State for the better government of the people within its jurisdiction and having the powers, duties, privileges, and immunities conferred by law on cities, towns, and villages. The term "city" does not include counties or municipal corporations organized for a special purpose. "City" is interchangeable with the terms "town" and "village," is used throughout this Chapter in preference to those terms, and shall mean any city as defined in this subdivision without regard to the terminology employed in charters, local acts, other portions of the General Statutes, or local customary usage.

(3) "Council" means the governing board of a city. "Council" is interchangeable with the terms "board of aldermen" and "board of commissioners," is used throughout this Chapter in preference to those terms, and shall mean any city council as defined in this subdivision without regard to the terminology employed in charters, local acts, other portions of the General Statutes, or local customary usage.

(4) "General law" means an act of the General Assembly applying to all units of local government, to all cities, or to all cities within a class defined by population or other criteria, including a law that meets the foregoing standards but contains a clause or section exempting from its effect one or more cities or all cities in one or more counties.

(5) "Local act" means an act of the General Assembly applying to one or more specific cities by name, or to all cities within one or more specifically named counties. "Local act" is interchangeable with the terms "special act," "public-local act," and "private act," is used throughout this Chapter in preference to those terms, and shall mean a local act as defined in this subdivision without regard to the terminology employed in charters, local acts, or other portions of the General Statutes.

(6) "Mayor" means the chief executive officer of a city by whatever title known.

(7) "Publish," "publication," and other forms of the verb "to publish" mean insertion in a newspaper qualified under G.S. 1-597 to publish legal advertisements in the county or counties in which the city is located. (1971, c. 698, s. 1; 1973, c. 426, s. 3.)

"Local Act". — Session Laws 1967, c. 506, relating to municipal eminent domain procedures, is a legislative act which applies specifically to Durham by name, and is, therefore, a "local act" as that term is defined in subdivision (5) of this section, and as such it is subject to the applicable provisions of this Chapter. City of Durham v. Manson, 21 N.C. App. 161, 204 S.E.2d 41 (1974).

This Chapter expressly provides that Chapter 506 of Session Laws 1967, which permits the City of Durham to employ the "quick-take" condemnation procedure provided by Article 9 of Chapter 136 of the General Statutes, is a local act and that it is a part of the charter of the City of Durham. City of Durham v. Manson, 285 N.C. 741, 208 S.E.2d 662 (1974).

§ 160A-2. Effect upon prior laws. — Nothing in this Chapter shall repeal or amend any city charter in effect as of January 1, 1972, or any portion thereof, unless this Chapter or a subsequent enactment of the General Assembly shall clearly show a legislative intent to repeal or supersede all local acts. The provisions of this Chapter, insofar as they are the same in substance as laws in effect as of December 31, 1971, are intended to continue such laws in effect and not to be new enactments. The enactment of this Chapter shall not require the readoption of any city ordinance enacted pursuant to laws that were in effect before January 1, 1972, and are restated or revised herein. The provisions of this Chapter shall not affect any act heretofore done, any liability incurred, any right

accrued or vested, or any suit or prosecution begun or cause of action accrued as of January 1, 1972. (1971, c. 698, s. 1.)

This section manifests the legislative concern that certain prior laws should be preserved. City of Durham v. Manson, 21 N.C. App. 161, 204 S.E.2d 41 (1974).

This section is made more meaningful by reference to § 160A-1, wherein the definitions of "charter" and "local act" are contained. City of Durham v. Manson, 21 N.C. App. 161, 204 S.E.2d 41 (1974).

It was the express intent of the legislature to retain local acts unless otherwise specifically indicated. City of Durham v. Manson, 21 N.C. App. 161, 204 S.E.2d 41 (1974).

The specific legislative intent of Chapter 160A was not to repeal local acts by implication, but to save them. City of Durham v. Manson, 285 N.C. 741, 208 S.E.2d 662 (1974).

Chapter 506 of Session Laws 1967, which became a part of the charter of the City of Durham, was not repealed by Chapter 160A. City of Durham v. Manson, 285 N.C. 741, 208 S.E.2d 662 (1974).

Quoted in Town of Mount Olive v. Price, 20 N.C. App. 302, 201 S.E.2d 362 (1973).

§ 160A-3. General laws supplementary to charters. — (a) When a procedure that purports to prescribe all acts necessary for the performance or execution of any power, duty, function, privilege, or immunity is provided by both a general law and a city charter, the two procedures may be used as alternatives, and a city may elect to follow either one.

(b) When a procedure for the performance or execution of any power, duty, function, privilege, or immunity is provided by both a general law and a city charter, but the charter procedure does not purport to contain all acts necessary to carry the power, duty, function, privilege, or immunity into execution, the charter procedure shall be supplemented by the general law procedure; but in case of conflict or inconsistency between the two procedures, the charter procedure shall control.

(c) When a power, duty, function, privilege, or immunity is conferred on cities by a general law, and a charter enacted earlier than the general law omits or expressly denies or limits the same power, duty, function, privilege or immunity, the general laws shall supersede the charter. (1971, c. 698, s. 1.)

General Statutes Supplement Charter Provisions. — The provisions of a municipal charter are supplemented by the General Statutes of the State. Parsons v. Wright, 223 N.C. 520, 27 S.E.2d 534 (1943) (decided prior to the enactment of this section).

§ 160A-4. Broad construction. — It is the policy of the General Assembly that the cities of this State should have adequate authority to execute the powers, duties, privileges, and immunities conferred upon them by law. To this end, the provisions of this Chapter and of city charters shall be broadly construed and grants of power shall be construed to include any additional and supplementary powers that are reasonably necessary or expedient to carry them into execution and effect: Provided, that the exercise of such additional or supplementary powers shall not be contrary to State or federal law or to the public policy of this State. (1971, c. 698, s. 1.)

Editor's Note. — Many of the cases cited in the following note were decided prior to the enactment of this section.

Municipal corporations have no inherent police powers and can exercise only those conferred, and such powers as are conferred are subject to strict construction. Kass v. Hedgepeth, 226 N.C. 405, 38 S.E.2d 164 (1946). An incorporated city or town has no inherent police powers. State v. Furio, 267 N.C. 353, 148 S.E.2d 275 (1966).

Their Powers Must Be Expressly Granted or Implied from Express Grants. — A municipal corporation is a political subdivision of the State and can exercise only such powers as are granted in express words, or those necessary or fairly implied or incident to the powers expressly

conferred, or those essential to the accomplishment of the declared objects and purposes of the corporation. Stephenson v. City of Raleigh, 232 N.C. 42, 59 S.E.2d 195 (1950).

A municipal corporation has only such powers as are granted to it by the General Assembly in its specific charter or by the general laws of the State applicable to all municipal corporations, and the powers granted in the charter will be construed together with those given under the General Statutes. Laughinghouse v. City of New Bern, 232 N.C. 596, 61 S.E.2d 802 (1950); Starbuck v. Town of Havelock, 252 N.C. 176, 113 S.E.2d 278 (1960).

A municipal corporation is a creature of the General Assembly and has no inherent power but can exercise such powers as are expressly conferred by the General Assembly or such as are necessarily implied by those expressly given. State v. McGraw, 249 N.C. 205, 105 S.E.2d 659 (1958).

A municipal corporation has only such powers as are granted to it by the General Assembly in its specific charter or by the general laws of the State applicable to all municipal corporations, or such powers as are necessarily implied by those given. State v. Hord, 264 N.C. 149, 141 S.E.2d 241 (1965).

An incorporated city or town is an agency created by the State. It has no governmental power or authority except such as has been granted to it by the legislature, expressly or by necessary implication from the powers expressly conferred. State v. Furio, 267 N.C. 353, 148 S.E.2d 275 (1966).

A city or town in this State has no inherent police power. It may exercise only such powers as are expressly conferred upon it by the General Assembly or as are necessarily implied from those expressly so conferred. Town of Conover v. Jolly, 277 N.C. 439, 177 S.E.2d 879 (1970).

A municipality is a creature of the State and has the powers prescribed by the statute, and those necessarily implied by law, and no other; therefore a city or town cannot make a rightful outlay of its tax revenues unless the outlay is explicitly or implicitly authorized by a statute conforming to the Constitution. Horner v. Chamber of Commerce, 231 N.C. 440, 57 S.E.2d 789 (1950), aff'd, 235 N.C. 77, 68 S.E.2d 660 (1952); Wilson v. City of High Point, 238 N.C. 14, 76 S.E.2d 546 (1953).

The implied powers of a municipality are those which are necessarily or fairly implied in or incident to the powers expressly granted or essential to the accomplishment of the purposes of the corporation. Green v. Kitchin, 229 N.C. 450, 50 S.E.2d 545 (1948). For a leading article on this case, see 27 N.C.L. Rev. 500.

A municipal corporation is authorized by implication to do an act if the doing of such act is necessarily or fairly implied in or incident to the powers expressly granted, or is essential to the accomplishment of the declared objects and purposes of the corporation. Harrelson v. City of Fayetteville, 271 N.C. 87, 155 S.E.2d 749 (1967).

Doubt Concerning Powers Is Resolved against Municipality. — A municipality has no inherent police powers, but can exercise only those conferred by the State, and any reasonable doubt concerning such powers is resolved against it. State v. Dannenberg, 150 N.C. 799, 63 S.E. 946 (1909).

But It Has Discretion as to Accomplishment of Purposes. — A municipal corporation has only those powers expressly granted in its charter and by the general law, construing the acts together, and those powers reasonably implied in or incident to the granted powers which are necessary to effect the fair intent and purpose of its creation, and it may exercise a sound discretion as to the means by which the purposes of its creation may be accomplished. Riddle v. Ledbetter, 216 N.C. 491, 5 S.E.2d 542 (1939).

A municipal corporation may exercise all the powers within the fair intent and purpose of its creation which are reasonably necessary to give effect to the powers expressly granted, and in doing this it may exercise discretion as to the means to the end. Keeter v. Town of Lake Lure, 264 N.C. 252, 141 S.E.2d 634 (1965).

The courts will not inquire into the motives which prompt a municipality's legislative body to enact an ordinance which is valid on its face. Clark's Greenville, Inc. v. West, 268 N.C. 527, 151 S.E.2d 5 (1966).

A municipal corporation has no authority to waive its immunity from tort liability in performance of its governmental functions. Stephenson v. City of Raleigh, 232 N.C. 42, 59 S.E.2d 195 (1950).

In the absence of statutory authority, a municipality has no authority to contract away or waive its governmental immunity in respect to torts committed in the exercise of its governmental function. Valevais v. City of New Bern, 10 N.C. App. 215, 178 S.E.2d 109 (1970).

Ordinances Having Effect outside Territorial Limits of Corporation. — While the legislature may confer upon a municipal corporation the power to enact ordinances having effect in territory contiguous to the corporation, in the absence of the grant of such power a city or town may not, by its ordinance, prohibit acts outside its territorial limits or impose criminal liability therefor. State v. Furio, 267 N.C. 353, 148 S.E.2d 275 (1966).

Quoted in Smith v. Keator, 285 N.C. 530, 206 S.E.2d 203 (1974).

§ 160A-5. Statutory references deemed amended to conform to Chapter. — Whenever a reference is made in another portion of the General Statutes or any local act, or any city ordinance, resolution, or order, to a portion of Chapter 160 of the General Statutes that is repealed or superseded by this Chapter, the reference shall be deemed amended to refer to that portion of this Chapter which most nearly corresponds to the repealed or superseded portion of Chapter 160. (1971, c. 698, s. 1; 1973, c. 426, s. 2.)

Applied in City of Durham v. Manson, 285 N.C. 741, 208 S.E.2d 662 (1974).

ARTICLE 1A.

Municipal Board of Control.

§ 160A-6. Municipal Board of Control; membership; per diem. — The Municipal Board of Control shall consist of five members. The secretary of the Local Government Commission, the chairman of the Senate Committee on Local Government, and the chairman of the House of Representatives Committee on Local Government are members of the Board ex officio. The secretary of the Local Government Commission is ex officio chairman of the Municipal Board of Control. The Governor shall appoint as members one elected municipal official and one elected county official to serve at his pleasure. Membership on the Board is declared to be an office that may be held concurrently with any other elective or appointive office, as authorized by Article VI, Sec. 9, of the Constitution. The Board's administrative location within the executive departments shall be determined by the Governor.

Members of the Board are entitled to the per diem compensation and allowances prescribed by G.S. 138-5. All expenses of the Board shall be paid from the Contingency and Emergency Fund.

The Board may adopt rules and regulations to carry out its powers and duties. (1971, c. 896, s. 9; c. 921, s. 1.)

§ 160A-7. Petition; number of signatures; contents. — Any 25 or more qualified voters residing within an area proposed for incorporation as a city may petition the Municipal Board of Control for incorporation of the area. The petition shall contain

(1) A description of the proposed corporate boundaries,
(2) A proposed name for the city,
(3) Recommendations as to the composition and mode of election of the city governing body within the optional forms set out in G.S. 160A-101, and
(4) The names of three persons to act as the interim governing body until the regular governing body is elected and qualified.

The Board may prescribe the form of the petition and methods for determining whether it is sufficient, or that incorporation of the area will not adversely affect the normal growth and development of the existing city or town. (1971, c. 896, s. 9; c. 921, s. 2; 1973, c. 426, s. 4.)

§ 160A-8. Petition to be filed and published. — Before an incorporation petition is presented to the Board, the persons proposing to present it shall cause a copy thereof to be delivered to the board of county commissioners of the county in which the city is located and to the governing boards of all other cities and towns in the county or located within three miles of the area but in another county, and shall also publish in a newspaper having a general circulation in the county a notice signed by at least five of them stating

(1) The corporate limits of the proposed city,
(2) The proposed name of the city, and

(3) A statement that an incorporation petition will be presented to the Municipal Board of Control.

The notice must be published once a week for three successive weeks before the petition is presented. (1971, c. 896, s. 9; c. 921, s. 3.)

§ 160A-9. Fees; notice of hearing. — Upon presenting an incorporation petition to the Board, the petitioners shall pay to the Board a fee of two hundred dollars ($200.00). The Board shall then set a time and place for a public hearing on the petition. Notice of the hearing shall be published once a week for three successive weeks in a newspaper having a general circulation in the county, and shall be mailed to the board of county commissioners and to the governing boards of all other cities and towns in the county or located within three miles of the area but in another county. (1971, c. 896, s. 9; c. 921, s. 4.)

§ 160A-9.1. Factors to be considered by Board. — In determining whether a proposed city shall be incorporated, the Board may consider:

(1) Whether incorporation is necessary or expedient and in the public interest.

(2) The permanent and seasonal population of the area.

(3) The appraised value of property subject to taxation in the area, the county's assessment ratio, and the ability of the proposed city to provide municipal services to its citizens.

(4) The probable effect of the incorporation on existing cities and towns.

(5) The extent to which the area is already developed for urban purposes.

The Board may inquire into and give consideration to any other matters that it believes to have a bearing on the issues before it. (1971, c. 896, s. 9; c. 921, s. 5.)

§ 160A-9.2. Necessary findings by the Board. — The Board shall enter an order incorporating the area if, upon the information and evidence it receives, it finds:

(1) That incorporation of the area is necessary or expedient and in the public interest.

(2) That the area has a permanent resident population of at least 500 or a seasonal population of at least 1,000.

(3) That the appraised value of property subject to taxation by the city will be sufficient to enable it to provide appropriate municipal services to its citizens.

(4) That no portion of the area lies within one mile of the corporate limits of any other city having a population of 5,000 or more according to the most recent decennial census of population taken by order of Congress, or within three miles of the corporate limits of any other city having a population of 10,000 or more according to the most recent decennial census of population taken by order of Congress, or within four miles of the corporate limits of any other city having a population of 25,000 or more according to the most recent decennial census of population taken by order of Congress, or within five miles of the corporate limits of any other city having a population of 50,000 or more according to the most recent decennial census of population taken by order of Congress.

(5) That at least sixty percent (60%) of the area within the proposed city is already developed for residential, commercial, industrial, institutional, or governmental uses, and that the remaining area is not separated from the developed area by natural barriers to urban growth.

In making the findings required by this section, the Board may call upon the division of community planning of the Department of Natural and Economic Resources for technical assistance.

If the area does not meet all of the criteria set out in this section, the Board may not incorporate it as a city. (1971, c. 896, s. 9; c. 921, s. 6; 1973, c. 426, s. 5; c. 1262, s. 51; 1975, c. 664, s. 4.)

Editor's Note. — The 1975 amendment inserted in subdivision (4) the language relating to areas within four miles of corporate limits.

§ 160A-9.3. Board orders effective date; vote of residents optional. — The Board may make its order of incorporation effective on such date as it may prescribe, or it may make the order effective only upon approval by the qualified voters residing in the area. The Board shall make its order effective only upon voter approval upon receiving a petition to this effect signed by a number of qualified voters resident in the area equal to at least twenty-five percent (25%) of those who would be eligible to vote in its municipal elections, as certified by the appropriate county board of elections. An incorporation referendum held under this section shall be determined by a majority of those who participate therein. The Board shall determine the sufficiency of the petition and its determination and the board of elections' certification of the number of qualified voters in the area shall be conclusive. (1971, c. 896, s. 9; c. 921, s. 7.)

§ 160A-9.4. Board to prepare charters. — Upon approving an order of incorporation, the Board shall prepare and issue a charter for the city. The charter shall specify

(1) The corporate limits,
(2) The name of the city,
(3) The composition and mode of election of the governing body within the optional forms set out in G.S. 160A-101,
(4) The names of three qualified voters of the area who shall serve as the city governing body until their successors are elected and qualified in accordance with the charter, and
(5) The date of the first regular municipal election, which may be held, in conjunction with the incorporation referendum if one is held.

In issuing the charter, the Board shall consider but shall not be bound by recommendations set out in the incorporation petition and testimony received at the public hearing. The charter shall be filed in the office of the Secretary of State on or before its effective date.

In fixing the date of the first regular municipal election, the Board is not bound by G.S. 163-279, but all subsequent elections in the newly incorporated city shall be conducted in accordance with Subchapter IX of Chapter 163 of the General Statutes. (1971, c. 896, s. 9; c. 921, s. 8; 1973, c. 426, s. 6.)

§ 160A-10. Board-incorporated cities to have full powers. — Cities incorporated pursuant to this Article have all of the powers conferred by law on cities and towns generally. (1971, c. 896, s. 9; c. 921, s. 9.)

ARTICLE 2.

General Corporate Powers.

§ 160A-11. Corporate powers. — The inhabitants of each city heretofore or hereafter incorporated by act of the General Assembly or by the Municipal Board of Control shall be and remain a municipal corporation by the name specified in the city charter. Under that name they shall be vested with all of the property and rights in property belonging to the corporation; shall have perpetual succession; may sue and be sued; may contract and be contracted with; may acquire and hold any property, real and personal, devised, bequeathed, sold,

or in any manner conveyed, dedicated to, or otherwise acquired by them, and from time to time may hold, invest, sell, or dispose of the same; may have a common seal and alter and renew the same at will; and shall have and may exercise in conformity with the city charter and the general laws of this State all municipal powers, functions, rights, privileges, and immunities of every name and nature whatsoever.

All documents required or permitted by law to be executed by municipal corporations will be legally valid and binding in this respect when a legible corporate stamp, which is a facsimile of its seal, is used in lieu of an imprinted or embossed corporate or common seal. (Code, ss. 704, 3117; 1901, c. 283; 1905, c. 526; Rev., s. 2916; 1907, c. 978; P. L. 1917, c. 223; C. S., s. 2623; Ex. Sess. 1921, c. 58; 1927, c. 14; 1933, c. 69; 1949, c. 938; 1955, c. 77; 1959, c. 391; 1961, c. 308; 1967, c. 100, s. 2; c. 1122, s. 1; 1969, c. 944; 1971, c. 698, s. 1; 1973, c. 170; c. 426, s. 7.)

Cross Reference. — See note to § 160A-4.

Editor's Note. — The cases cited in the following note were decided under former similar provisions.

Ordinance within Power Granted Is Presumed Reasonable. — When an ordinance is within the grant of power to the municipality, the presumption is that it is reasonable. Gene's, Inc. v. City of Charlotte, 259 N.C. 118, 129 S.E.2d 889 (1963).

Control of Municipal Territory and Affairs. — "When a municipal corporation is established it takes control of the territory and affairs over which it is given authority to the exclusion of other governmental agencies. The object of incorporating a town or city is to invest the inhabitants of the municipality with the government of all matters that are of special municipal concern, and certainly the streets are as much of a special and local concern as anything connected with a town or city can well be. It ought, therefore, to be presumed that they pass under the exclusive control of the municipality so soon as it comes into existence under the law. Gunter v. Sanford, 186 N.C. 452, 120 S.E. 41 (1923)." Parsons v. Wright, 223 N.C. 520, 27 S.E.2d 534 (1943).

Purchase at Tax Sale. — The title of the purchaser at a tax foreclosure sale may not be challenged by the listed owner upon the purchaser's motion for a writ of assistance, and such purchaser may be a municipality where it does not appear of record that the purchase of the land was ultra vires, a municipality having the power to purchase land for certain purposes. Wake County v. Johnson, 206 N.C. 478, 174 S.E. 303 (1934).

A town must be sued in its corporate name and not in the name of its officers. Young v. Barden, 90 N.C. 424 (1886).

How Served with Summons. — A summons against a city may be served on the mayor and on the secretary of the board of aldermen. Loughran v. Hickory, 129 N.C. 281, 40 S.E. 46 (1901).

Venue in County Where Municipality Located. — Cities and towns must be sued in the county in which they are located, and if suit is brought in another county, they have the right to have it removed. Jones v. Town of Statesville, 97 N.C. 86, 2 S.E. 346 (1887). See § 1-77 and note.

Action in Name of All Citizens against City. — In an action against a municipal corporation to enjoin the collection of an illegal tax, it is not error to allow all citizens other than the original plaintiff to be made parties plaintiff. Cobb v. Elizabeth City, 75 N.C. 1 (1876).

Applied in North Carolina Consumers Power, Inc. v. Duke Power Co., 21 N.C. App. 237, 204 S.E.2d 399 (1974).

§ 160A-12. Exercise of corporate power. — All powers, functions, rights, privileges, and immunities of the corporation shall be exercised by the city council and carried into execution as provided by the charter or the general law. A power, function, right, privilege, or immunity that is conferred or imposed by charter or general law without directions or restrictions as to how it is to be exercised or performed shall be carried into execution as provided by ordinance or resolution of the city council. (Code, s. 703; Rev., s. 2917; C. S., s. 2624; 1971, c. 698, s. 1.)

Opinions of Attorney General. — Mr. Richard A. Williams, Maiden Town Attorney, 40 N.C.A.G. 450 (1969) (issued under former § 160-3).

Torts; Authority to Act Based on Unauthorized Representations by Individual Board Members. — See opinion of Attorney General to Mr. John W. Twisdale, Clayton Town Attorney, 40 N.C.A.G. 522 (1970) (issued under former § 160-3).

§§ 160A-13 to 160A-15: Reserved for future codification purposes.

ARTICLE 3.

Contracts.

§ 160A-16. Contracts to be in writing; exception. — All contracts made by or on behalf of a city shall be in writing. A contract made in violation of this section shall be void and unenforceable unless it is expressly ratified by the council. (1917, c. 136, subch. 13, s. 8; C. S., s. 2831; 1971, c. 698, s. 1.)

§ 160A-17. Continuing contracts. — A city is authorized to enter into continuing contracts, some portion or all of which are to be performed in ensuing fiscal years. Sufficient funds shall be appropriated to meet any amount to be paid under the contract in the fiscal year in which it is made, and in each ensuing fiscal year, the council shall appropriate sufficient funds to meet the amounts to be paid during the fiscal year under continuing contracts previously entered into. (1971, c. 698, s. 1.)

§ 160A-17.1. Grants from other governments. — The governing body of any city or county is hereby authorized to make contracts for and to accept grants-in-aid and loans from the federal and State governments and their agencies for constructing, expanding, maintaining, and operating any project or facility, or performing any function, which such city or county may be authorized by general law or local act to provide or perform.

In order to exercise the authority granted by this section, the governing body of any city or county may:

(1) Enter into and carry out contracts with the State or federal government or any agency or institution thereof under which such government, agency, or institution grants financial or other assistance to the city or county;
(2) Accept such assistance or funds as may be granted or loaned by the State or federal government with or without such a contract;
(3) Agree to and comply with any lawful and reasonable conditions which are imposed upon such grants or loans;
(4) Make expenditures from any funds so granted. (1971, c. 896, s. 10; c. 937, ss. 1, 1.5; 1973, c. 426, s. 8.)

Municipality Has Authority to Make Relocation Assistance Payments Which Are Required by the Federal Grants for the Code Enforcement Program. — See opinion of Attorney General to Mr. Roddey M. Ligon, Jr., 41 N.C.A.G. 896 (1972).

§ 160A-18. Certain deeds validated. — (a) All deeds made, executed, and delivered by any city before July 1, 1970, for a good and valuable consideration are hereby in all respects validated, ratified, and confirmed notwithstanding any lack of authority to make the deed or any irregularities in the procedures by which conveyance of the land or premises described therein was authorized by the city council.

(b) All conveyances and sales of any interest in real property by private sale, including conveyances in fee and releases of vested or contingent future interests, made by the governing body of any city, school district, or school administrative unit before July 1, 1970, are hereby validated, ratified, and

confirmed notwithstanding the fact that such conveyances or releases were made by private sale and not after notice and public outcry.

(c) Nothing in this section shall affect any action or proceeding begun before January 1, 1972. (Ex. Sess. 1924, c. 95; 1951, c. 44; 1959, c. 487; 1971, c. 698, s. 1.)

§ 160A-19. Leases. — A city is authorized to lease as lessee, with or without option to purchase, any real or personal property for any authorized public purpose. A lease of personal property with an option to purchase is subject to Article 8 of Chapter 143 of the General Statutes. (1973, c. 426, s. 9.)

§ 160A-20: Reserved for future codification purposes.

ARTICLE 4.

Corporate Limits.

Part 1. General Provisions.

§ 160A-21. Existing boundaries. — The boundaries of each city shall be those specified in its charter with any alterations that are made from time to time in the manner provided by law or by local act of the General Assembly. (1971, c. 698, s. 1.)

§ 160A-22. Map of corporate limits. — The current city boundaries shall at all times be drawn on a map, or set out in a written description, or shown by a combination of these techniques. This delineation shall be retained permanently in the office of the city clerk. Alterations in these established boundaries shall be indicated by appropriate entries upon or additions to the map or description made by or under the direction of the officer charged with that duty by the city charter or by the council. Copies of the map or description reproduced by any method of reproduction that gives legible and permanent copies, when certified by the city clerk, shall be admissible in evidence in all courts and shall have the same force and effect as would the original map or description. The council may provide for revisions in any map or other description of the city boundaries. A revised map or description shall supersede for all purposes the earlier map or description that it is designated to replace. (1971, c. 698, s. 1; 1973, c. 426, s. 10.)

§ 160A-23. District map; reapportionment. — (a) If the city is divided into electoral districts for the purpose of electing the members of the council, the map or description required by G.S. 160A-22 shall also show the boundaries of the several districts.

(b) The council shall have authority to revise electoral district boundaries from time to time. If district boundaries are set out in the city charter and the charter does not provide a method for revising them, the council may revise them only for the purpose of (i) accounting for territory annexed to or excluded from the city, and (ii) correcting population imbalances among the districts shown by a new federal census or caused by exclusions or annexations. When district boundaries have been established in conformity with the federal Constitution, the council shall not be required to revise them again until a new federal census of population is taken or territory is annexed to or excluded from the city, whichever event first occurs. In establishing district boundaries, the council may use data derived from the most recent federal census and shall not be required to use any other population estimates. (1971, c. 698, s. 1.)

ARTICLE 4A.

Extension of Corporate Limits.

Part 1. Extension by Referendum or Petition.

§ 160A-24. Procedure for adoption of ordinance extending limits; effect of adoption when no election required; public hearing and notice thereof. — After public notice has been given by publication once a week for four successive weeks in a newspaper in the county with a general circulation in the municipality, or if there be no such paper, by posting notice in five or more public places within the municipality, describing by metes and bounds the territory to be annexed, thus notifying the owner or owners of the property located in such territory, that a session of the municipal legislative body will meet for the purpose of considering the annexation of such territory to the municipality, the governing body of any municipality is authorized and empowered to adopt an ordinance extending its corporate limits by annexing thereto any contiguous tract or tracts of land not embraced within the corporate limits of some other municipality. Provided, that it shall be essential and necessary to the validity of any ordinance extending the corporate limits of any municipality by annexation, pursuant to this section, to actually hold a public hearing pursuant to the notice herein required, and that a statement by or on behalf of the municipal governing body, of the purpose or reasons for the proposed extension of the corporate limits be made at the beginning of the public hearing, and that reasonable opportunity to be heard be given any who attend such public hearing with regard thereto. The public notice shall (i) fix the date, hour and place of the public hearing, and (ii) describe clearly the boundaries of the area under consideration. Then from and after the date of the adoption of such ordinance, unless an election is required as herein provided, the territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in said city or town and shall be entitled to the same privileges and benefits as other parts of said city or town. If territory is annexed its liability for municipal taxes for the fiscal year in which it is annexed shall be determined by applying the following ratio against the total taxes that would be due on the property if it had been annexed prior to the beginning of the fiscal year: The numerator shall be the number 365 minus the total number of days after the preceding July 1 and immediately prior to the effective date of the annexation, and the denominator shall be the number 365. However, the due date of such municipal taxes shall be the effective date of annexation of said territory and the taxes may be paid at par or face amount at any time before the one hundred and twentieth day after the due date. On or after the one hundred and twentieth day and before the one hundred and fiftieth day from the due date there shall be added to the taxes interest at the rate of two percent (2%). On or after the one hundred and fiftieth day from the due date, there shall be added to the taxes, in addition to the two percent (2%) provided above, interest at the rate of three fourths of one percent (¾ of 1%) per 30 days or fraction thereof until the taxes plus interest have been paid. (1947, c. 725, s. 1; 1967, c. 929; 1973, c. 426, s. 74; 1975, c. 576, s. 1.)

Editor's Note. — The 1975 amendment substituted the present fifth, sixth, seventh and eighth sentences for the former last sentence, which read "The newly annexed territory shall be subject to municipal taxes levied for the fiscal year following the date of annexation."

Session Laws 1973, c. 335, provides that the Town of Scotland Neck is authorized to annex property under the procedures of both Part 1 and Part 2 of this Article.

Session Laws 1973, c. 983, provides that all municipalities in Dare County are authorized to extend their corporate limits by any procedure contained in Part 1, Part 2 or Part 3 of this Article.

The word "municipality" was intended to mean cities and towns and is limited to that meaning. This is apparent from the caption of the act inserting this Article and its preamble.

State ex rel. East Lenoir San. Dist. v. City of Lenoir, 249 N.C. 96, 105 S.E.2d 411 (1958).

A sanitary district is not a "municipality" within the meaning of this section so as to preclude a municipality from annexing territory within a sanitary district. State ex rel. East Lenoir San. Dist. v. City of Lenoir, 249 N.C. 96, 105 S.E.2d 411 (1958).

A sanitary district has no right to challenge the enlargement of the boundaries of a municipal corporation to include part of the territory of the sanitary district, since the mere enlargement of the city's boundaries does not appropriate the property of the district or deprive the district of its function of selling water transported through its mains to all its customers living in the districts. State ex rel. East Lenoir San. Dist. v. City of Lenoir, 249 N.C. 96, 105 S.E.2d 411 (1958).

Annexation Renders Ineffectual Zoning Authority of Prior Municipality. — Where property within the zoning authority of one municipal corporation is lawfully annexed by another municipal corporation, the zoning authority of the prior municipality becomes ineffectual immediately upon the annexation. Taylor v. Bowen, 272 N.C. 726, 158 S.E.2d 837 (1968).

Alternative Procedures Authorized. — The General Assembly has the authority to authorize the governing bodies of municipalities to annex territory upon meeting the requirements of Part 3 of this Article, which is equally applicable to annexation by a special act of the legislature. The only discretion given to the governing boards of such municipalities is the permissive or discretionary right to use this new method of annexation provided such boards conform to the procedure and meet the requirements set out in the act as a condition precedent to the right to annex. Plemmer v. Matthewson, 281 N.C. 722, 190 S.E.2d 204 (1972).

Since defendants proceeded to annex territory under the special act, Session Laws 1971, c. 801, they did not comply with §§ 160A-24 through 160A-32, nor were they required to do so. Plemmer v. Matthewson, 281 N.C. 722, 190 S.E.2d 204 (1972).

Applied in Rexham Corp. v. Town of Pineville, 26 N.C. App. 349, 216 S.E.2d 445 (1975).

§ 160A-25. Referendum on question of extension. — If, at the meeting held for such purpose, a petition is filed and signed by at least fifteen percent (15%) of the qualified voters resident in the area proposed to be annexed requesting a referendum on the question, the governing body shall, before passing said ordinance, annexing the territory, submit the question as to whether said territory shall be annexed to a vote of the qualified voters of the area proposed to be annexed, and the governing body may or may not cause the question to be submitted to the residents of the municipality voting separately. The governing body may, without receipt of a petition, call for a referendum on the question: Provided, however, the governing body of the municipality shall be required to call for a referendum within the municipality if a petition is filed and signed by at least fifteen percent (15%) of the qualified voters residing in the municipality, who actively participated in the last gubernatorial election. (1947, c. 725, s. 2; 1973, c. 426, s. 74.)

Attempted Annexation without Election Is Void. — Where, at a meeting of the governing body of a municipality to consider the question of annexing adjacent territory, a petition, requesting a referendum, signed by more than 15% of the qualified voters resident in the area proposed to be annexed, is filed, there can be no annexation of the area unless and until a majority of the qualified voters therein vote in favor thereof in an election called and conducted as prescribed by statute, and in the absence of such election any attempted annexation by ordinance or otherwise would be void. Rheinhardt v. Yancey, 241 N.C. 184, 84 S.E.2d 655 (1954).

But Passage of Void Annexation Ordinance Will Not Be Enjoined. — Where an action was instituted to restrain the governing body of a municipality from passing an ordinance annexing certain territory without first holding an election as required by this section, demurrer to the complaint should have been sustained, since equity will not enjoin the passage of the ordinance even though it would be void. Rheinhardt v. Yancey, 241 N.C. 184, 84 S.E.2d 655 (1954).

Stated in Thompson v. Whitley, 344 F. Supp. 480 (E.D.N.C. 1972).

§ 160A-26. Extent of participation in referendum; call of election. — Upon receipt of a sufficient petition, or if the board, on its own motion, determines

that a referendum shall be held, the local governing body shall determine whether or not the election will be conducted solely in the area to be annexed or simultaneously with the qualified voters of the municipality, and shall order the board of elections of the county in which the municipality is located to call an election to determine whether or not the proposed territory shall be annexed to the city or town. Within 60 days after receiving such order from the governing body, the county board of elections shall proceed to hold an election on the question. (1947, c. 725, s. 3; 1973, c. 426, s. 74.)

Cited in Thompson v. Whitley, 344 F. Supp. 480 (E.D.N.C. 1972).

§ 160A-27. Action required by county board of elections; publication of resolution as to election; costs of election. — Such election shall be called by a resolution or resolutions of said county board of elections which shall:

(1) Describe the territory proposed to be annexed to the said city or town as set out in the order of the said local governing body;
(2) Provide that the matter of annexation of such territory shall be submitted to the vote of the qualified voters of the territory proposed to be annexed, and if ordered by the local governing body, the qualified voters of said city or town voting separately;
(3) Provide for a special registration of voters in the territory proposed to be annexed for said election;
(4) Designate the precincts and voting places for such election;
(5) Name the registrars and judges of such election;
(6) And make all other necessary provisions for the holding and conducting of such election, the canvassing of the returns and the declaration of the results of such election.

Said resolution shall be published in one or more newspapers of the said county once a week for 30 days prior to the opening of the registration books. All cost of holding such election shall be paid by the city or town. Except as herein provided, said election shall be held under the same statutes, rules, and regulations as are applicable to elections in the municipality whose corporate limits are being enlarged. (1947, c. 725, s. 4; 1973, c. 426, s. 74.)

Cited in Thompson v. Whitley, 344 F. Supp. 480 (E.D.N.C. 1972).

§ 160A-28. Ballots; effect of majority vote for extension. — At such election those qualified voters who present themselves to the election officials at the respective voting places shall be furnished with ballots upon which shall be written or printed the words "For Extension" and "Against Extension." If at such election a majority of the votes cast from the area proposed for annexation shall be "For Extension," and, in the event an election is held in the municipality, the majority of the votes cast in the municipality shall also be "For Extension," then from and after the date of the declaration of the result of such election the territory and its citizens and property shall be subject to all the debts, laws, ordinances, and regulations in force in said city or town and shall be entitled to the same privileges and benefits as other parts of said city or town. The newly elected territory shall be subject to city taxes levied for the fiscal year following the date of annexation. (1947, c. 725, s. 5; 1973, c. 426, s. 74.)

Local Modification. — Wake: 1955, c. 177.
Applied in Thomasson v. Smith, 249 N.C. 84, 105 S.E.2d 416 (1958).
Stated in Thompson v. Whitley, 344 F. Supp. 480 (E.D.N.C. 1972).

§ 160A-29. Map of annexed area, copy of ordinance and election results recorded in the office of register of deeds. — Whenever the limits of any municipal corporation are enlarged, in accordance with the provisions of this Article, it shall be the duty of the mayor of the city or town to cause an accurate map of such annexed territory, together with a copy of the ordinance duly certified, and the official results of the election, if conducted, to be recorded in the office of the register of deeds of the county or counties in which such territory is situated and in the office of the Secretary of State. (1947, c. 725, s. 6; 1973, c. 426, c. 74.)

§ 160A-30. Surveys of proposed new areas. — The governing bodies of the cities and towns after five days' written notice to the owner of record or persons in possession of the premises are hereby authorized to enter upon any lands to make surveys or examinations as may be necessary in carrying out the mapping requirements of proposed annexations under any provision of Article 4A of Chapter 160A; provided, the city or town authorizing such entry shall make reimbursement for any damage resulting from such activity. (1947, c. 725, s. 7; 1973, c. 426, s. 74; 1975, c. 312.)

Editor's Note. — The 1975 amendment rewrote this section, which formerly authorized local governing bodies to make surveys, but did not provide for a right of entry or for examinations in connection with proposed annexation.

§ 160A-31. Annexation by petition. — (a) The governing board of any municipality may annex by ordinance any area contiguous to its boundaries upon presentation to the governing board of a petition signed by the owners of all the real property located within such area. The petition shall be signed by each owner of real property in the area and shall contain the address of each such owner.

(b) The petition shall be prepared in substantially the following form:

DATE:

To the ..... (name of governing board) of the (City or Town) of .....

1. We the undersigned owners of real property respectfully request that the area described in paragraph 2 below be annexed to the (City or Town) of .....

2. The area to be annexed is contiguous to the (City or Town) of ..... and the boundaries of such territory are as follows:

.....

(c) Upon receipt of the petition, the municipal governing board shall cause the clerk of the municipality to investigate the sufficiency thereof and to certify the result of his investigation. Upon receipt of the certification, the municipal governing board shall fix a date for a public hearing on the question of annexation, and shall cause notice of the public hearing to be published once in a newspaper having general circulation in the municipality at least 10 days prior to the date of the public hearing; provided, if there be no such paper, the governing board shall have notices posted in three or more public places within the area to be annexed and the three or more public places within the municipality.

(d) At the public hearing all persons owning property in the area to be annexed who allege an error in the petition shall be given an opportunity to be heard, as well as residents of the municipality who question the necessity for annexation. The governing board shall then determine whether the petition meets the requirements of this section. Upon a finding that the petition meets the requirements of this section, the governing board shall have authority to pass an ordinance annexing the territory described in the petition. The governing

board shall have authority to make the annexing ordinance effective immediately or on any specified date within six months from the date of passage of the ordinance.

(e) From and after the effective date of the annexation ordinance, the territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in such municipality and shall be entitled to the same privileges and benefits as other parts of such municipality. If territory is annexed its liability for municipal taxes for the fiscal year in which it is annexed shall be determined by applying the following ratio against the total taxes that would be due on the property if it had been annexed prior to the beginning of the fiscal year: The numerator shall be the number 365 minus the number of days after the preceding July 1 and immediately prior to the effective date of the annexation, and the denominator shall be the number 365. However, the due date of such municipal taxes shall be the effective date of annexation of said territory and the taxes may be paid at par or face amount at any time before the one hundred and twentieth day after the due date. On or after the one hundred and twentieth day and before the one hundred and fiftieth day from the due date there shall be added to the taxes interest at the rate of two percent (2%). On or after the one hundred and fiftieth day from the due date, there shall be added to the taxes, in addition to the two percent (2%) provided above, interest at the rate of three fourths of one percent (¾ of 1%) per 30 days or fraction thereof until the taxes plus interest have been paid. If the effective date of annexation falls between January 1 and June 30, the municipality shall, for purposes of levying taxes for the fiscal year beginning July 1 following the date of annexation, obtain from the county a record of property in the area being annexed which was listed for taxation as of said January 1. If the effective date of annexation falls between June 1 and June 30, and the effective date of the privilege license tax ordinance of the annexing municipality is June 1, then businesses in the area to be annexed shall be liable for taxes imposed in such ordinance from and after the effective date of annexation.

(f) For purposes of this section, an area shall be deemed "contiguous" if, at the time the petition is submitted, such area either abuts directly on the municipal boundary or is separated from the municipal boundary by a street or street right-of-way, a creek or river, or the right-of-way of a railroad or other public service corporation, lands owned by the municipality or some other political subdivision, or lands owned by the State of North Carolina. In describing the area to be annexed in the annexation ordinance, the municipal governing board may include within the description any territory described in this subsection which separates the municipal boundary from the area petitioning for annexation. (1947, c. 725, s. 8; 1959, c. 713; 1973, c. 426, s. 74; 1975, c. 576, s. 2.)

Local Modification. — City of Fayetteville: 1969, c. 715; city of Greensboro: 1959, c. 1137, s. 18; town of Atlantic Beach: 1959, c. 395.

Editor's Note. — The 1975 amendment substituted the present second, third, fourth and fifth sentences of subsection (e) for the former second sentence, which read "The newly annexed territory shall be subject to municipal taxes levied for the fiscal year following the date of annexation."

Voluntary Procedure Simpler and Quicker than Involuntary. — Voluntary procedure initiated by the landowners and future municipal taxpayers has understandably been made simpler and quicker than the involuntary annexation procedures. Town of Hudson v. City of Lenoir, 279 N.C. 156, 181 S.E.2d 443 (1971).

Voluntary Annexation Injects Element of Choice. — The variations in procedural requirements with respect to voluntary and involuntary annexation make it possible for property owners in the affected area to inject an element of choice as to which municipality will govern them. Town of Hudson v. City of Lenoir, 279 N.C. 156, 181 S.E.2d 443 (1971).

Undeveloped Lands Should Be Annexed Only on Petition. — Large tracts of agricultural or vacant lands, where no evidence of urban development can be shown, should not be annexed in any event, except upon petition of the landowners. Lithium Corp. of America v.

Town of Bessemer City, 261 N.C. 532, 135 S.E.2d 574 (1964).

Stated in Thompson v. Whitley, 344 F. Supp. 480 (E.D.N.C. 1972).

§ 160A-32. Powers granted supplemental. — The powers granted by this Article shall be supplemental and additional to powers conferred by any other law, and shall not be regarded as in derogation of any powers now existing: Provided, that this Article shall not apply to any town or municipality in Dare County. (1947, c. 725, s. 9; 1951, c. 824; 1959, c. 427; 1973, c. 426, s. 74.)

Part 2. Annexation by Cities of Less than 5,000.

§ 160A-33. Declaration of policy. — It is hereby declared as a matter of State policy:

(1) That sound urban development is essential to the continued economic development of North Carolina;

(2) That municipalities are created to provide the governmental services essential for sound urban development and for the protection of health, safety and welfare in areas being intensively used for residential, commercial, industrial, institutional and government purposes or in areas undergoing such development;

(3) That municipal boundaries should be extended, in accordance with legislative standards applicable throughout the State, to include such areas and to provide the high quality of governmental services needed therein for the public health, safety and welfare; and

(4) That new urban development in and around municipalities having a population of less than 5,000 persons tends to be concentrated close to the municipal boundary rather than being scattered and dispersed as in the vicinity of larger municipalities, so that the legislative standards governing annexation by smaller municipalities can be simpler than those for larger municipalities and still attain the objectives set forth in this section;

(5) That areas annexed to municipalities in accordance with such uniform legislative standards should receive the services provided by the annexing municipality as soon as possible following annexation. (1959, c. 1010, s. 1; 1973, c. 426, s. 74.)

Editor's Note. — Sections 160A-33 through 160A-44 were originally codified as §§ 160-453.1 through 160-453.12. They were transferred to their present position by Session Laws 1973, c. 426, s. 74.

Constitutionality. — The legislature may without violating the State or federal Constitution delegate to a municipality the authority to implement a plan of annexation. Williams v. Town of Grifton, 19 N.C. App. 462, 199 S.E.2d 288 (1973).

This Part does not constitute an unlawful delegation of legislative power in violation of N.C. Const., Art. VIII. Williams v. Town of Grifton, 19 N.C. App. 462, 199 S.E.2d 288 (1973).

The guidelines established by this Part are as stringent as those in § 160A-45 et seq., and the discretion conferred upon the municipalities of population less than 5,000 is no greater than that conferred upon municipalities of population of 5,000 or greater. Therefore, the contention that the annexation statute is unconstitutional is untenable. Williams v. Town of Grifton, 19 N.C. App. 462, 199 S.E.2d 288 (1973).

Policy Supports Statutory Scheme. — Given the State policy, it is not difficult to conceive of a rational basis supportive of the patchwork statutory scheme governing annexation in North Carolina. Thompson v. Whitley, 344 F. Supp. 480 (E.D.N.C. 1972).

Annexation of territory by a municipality is a legislative and not a judicial act, and in the absence of statutory directive, the court, on appeal from an annexation ordinance, cannot divide the territory and annex a part thereof and refuse to annex the remainder. Huntley v. Potter, 255 N.C. 619, 122 S.E.2d 681 (1961).

Proceeding Is Summary. — A proceeding by a municipality to annex territory pursuant to this Part is summary in nature. Southern Ry. v. Hook, 261 N.C. 517, 135 S.E.2d 562 (1964).

And the material statutory requirements must be complied with. Southern Ry. v. Hook, 261 N.C. 517, 135 S.E.2d 562 (1964).

Voluntary Procedure Is Simpler and Quicker than Involuntary. — The voluntary procedure initiated by the landowners and future municipal taxpayers has understandably been made simpler and quicker than the involuntary annexation procedures. Town of Hudson v. City of Lenoir, 279 N.C. 156, 181 S.E.2d 443 (1971).

Voluntary Annexation Injects Element of Choice. — The variations in procedural requirements with respect to voluntary and involuntary annexation make it possible for property owners in the affected area to inject an element of choice as to which municipality will govern them. Town of Hudson v. City of Lenoir, 279 N.C. 156, 181 S.E.2d 443 (1971).

Municipality Need Not Acquire Private Water and Sewer Systems. — An annexation ordinance may not be attacked on the ground that the municipality has no plans to purchase or finance the purchase of private water and sewer systems existing in the annexed territory, since the mere existence of such private systems within the territory to be annexed does not compel the city to purchase or acquire ownership of them. Huntley v. Potter, 255 N.C. 619, 122 S.E.2d 681 (1961).

Mere Extension of Limits Does Not Appropriate Such Systems. — Where a municipality annexes territory served by private water or sewer lines, the owners of such lines may not recover the value thereof from the municipality in the absence of provisions for payment by contract or ordinance unless the municipality appropriates such private lines and controls them as proprietor, and the mere extension of the city limits to include such lines or the voluntary maintenance of such lines by the city does not amount to an appropriation of such lines by the municipality. Huntley v. Potter, 255 N.C. 619, 122 S.E.2d 681 (1961).

Objectives Sufficient to Justify Annexation. — Three avowed objectives were stated by a town's governing board: (1) Essentially all of the town's desirable building sites were exhausted. (2) The tax base was unable to provide the kind of services people need. (3) Many interested people were unable to participate in town government. These objectives are sufficient to qualify the annexation under this Part. Williams v. Town of Grifton, 19 N.C. App. 462, 199 S.E.2d 288 (1973).

Applied in Lithium Corp. of America v. Town of Bessemer City, 261 N.C. 532, 135 S.E.2d 574 (1964); Safrit v. Costlow, 270 N.C. 680, 155 S.E.2d 252 (1967); Adams-Millis Corp. v. Town of Kernersville, 6 N.C. App. 78, 169 S.E.2d 496 (1969); Rexham Corp. v. Town of Pineville, 26 N.C. App. 349, 216 S.E.2d 445 (1975).

Cited in Dunn v. City of Charlotte, 284 N.C. 542, 201 S.E.2d 873 (1974).

§ 160A-34. Authority to annex. — The governing board of any municipality having a population of less than 5,000 persons according to the last federal decennial census may extend the corporate limits of such municipality under the procedure set forth in this Part. (1959, c. 1010, s. 2; 1973, c. 426, s. 74.)

The annexation of territory to a municipal corporation is a legislative function which may not be delegated to a court. Huntley v. Potter, 255 N.C. 619, 122 S.E.2d 681 (1961).

Municipality's Discretion Limited to Method of Annexation. — The only discretion given to the governing boards of municipalities is the permission and discretionary right to use the new method of annexation set out in this Article, provided such boards conform to the procedure and meet the requirements set out in this Part as a condition precedent to the right to annex. Huntley v. Potter, 255 N.C. 619, 122 S.E.2d 681 (1961).

Burden of Showing Failure to Meet Statutory Requirements. — Where the record of annexation proceedings under this section on its face showed substantial compliance with every essential element of the applicable statutes, the burden was upon petitioners, who appealed from the annexation ordinance, to show by competent evidence that the city in fact failed to meet the statutory requirements or that there was irregularity in the proceedings which materially prejudiced their substantive rights. Dunn v. City of Charlotte, 284 N.C. 542, 201 S.E.2d 873 (1974).

§ 160A-35. Prerequisites to annexation; ability to serve; report and plans. — A municipality exercising authority under this Part shall make plans for the extension of services to the area proposed to be annexed and shall, prior to the public hearing provided for in G.S. 160A-37, prepare a report setting forth such plans to provide services to such area. The report shall include:

(1) A map or maps of the municipality and adjacent territory to show the following information:

a. The present and proposed boundaries of the municipality.

b. The proposed extensions of water mains and sewer outfalls to serve the annexed area, if such utilities are operated by the municipality.

(2) A statement showing that the area to be annexed meets the requirements of G.S. 160A-36.

(3) A statement setting forth the plans of the municipality for extending to the area to be annexed each major municipal service performed within the municipality at the time of annexation. Specifically, such plans shall:

a. Provide for extending police protection, fire protection, garbage collection and street maintenance services to the area to be annexed on the date of annexation on substantially the same basis and in the same manner as such services are provided within the rest of the municipality prior to annexation. If a water distribution system is not available in the area to be annexed, the plans must call for reasonably effective fire protection services until such time as waterlines are made available in such area under existing municipal policies for the extension of waterlines.

b. Provide for extension of water mains and sewer lines into the area to be annexed so that property owners in the area to be annexed will be able to secure public water and sewer services according to the policies in effect in such municipality for extending water and sewer lines to individual lots or subdivisions. If the municipality must, at its own expense, extend water and/or sewer mains into the area to be annexed before property owners in the area can, according to municipal policies, make such connection to such lines, then the plans must call for contracts to be let and construction to begin on such lines within one year following the effective date of annexation.

c. Set forth the method under which the municipality plans to finance extension of services into the area to be annexed. (1959, c. 1010, s. 3; 1973, c. 426, s. 74.)

Local Modification. — Town of Beaufort: 1963, c. 1189.

Local Modification Held Unconstitutional. — Chapter 1189, Session Laws 1963, amending paragraph b of subdivision (3) of this section solely as it applies to the Town of Beaufort and providing that a municipality shall not be required to extend sewage outfalls into an area annexed by it in the event that the municipal sewerage system shall have been declared a source of unlawful pollution is a local act relating to health and sanitation within the meaning of N.C. Const., Art. II, § 24, and is unconstitutional and void. Gaskill v. Costlow, 270 N.C. 686, 155 S.E.2d 148 (1967); Safrit v. Costlow, 270 N.C. 680, 155 S.E.2d 252 (1967).

The municipality, as a condition precedent to the right to annex, must file a report showing on its face strict compliance with statutory requirements, and upon review in superior court has the burden of sustaining the regularity, adequacy, veracity and validity of the report and annexation ordinance by competent evidence. Huntley v. Potter, 255 N.C. 619, 122 S.E.2d 681 (1961).

A second public hearing after amendment is not required by this section. Adams-Millis Corp. v. Town of Kernersville, 6 N.C. App. 78, 169 S.E.2d 496 (1969).

Failure to Call for Increase in Personnel in Plans. — Plans for services to the annexed area are not defective in failing to call for any significant increase in personnel where the record is devoid of evidence showing any need for increased personnel. Adams-Millis Corp. v. Town of Kernersville, 6 N.C. App. 78, 169 S.E.2d 496 (1969).

Remedy Where Municipality Has Not Carried Out Service Plans Adopted under Subdivision (3). — The statutory remedy for owners of property in annexed territory where the municipality has not followed through on its service plans adopted under the provisions of subdivision (3) of this section and § 160A-37 is by writ of mandamus. Safrit v. Costlow, 270 N.C. 680, 155 S.E.2d 252 (1967).

Record Sustaining Finding of Compliance. — Where the record discloses the plans of the municipality for extending municipal services to the area annexed, itemizing the cost, and that such cost would be obtained from current taxes, the record supports a finding by the court of compliance with this section, and such finding will not be disturbed in the absence of evidence

to the contrary of sufficient weight to overcome the prima facie presumption of regularity. Huntley v. Potter, 255 N.C. 619, 122 S.E.2d 681 (1961).

This section does not make it incumbent upon the municipality to justify annexation other than to the extent of its ability to serve the areas to be annexed. Williams v. Town of Grifton, 19 N.C. App. 462, 199 S.E.2d 288 (1973).

Police Protection. — Evidence supporting the plans set out in the report, and no evidence that the service would not be adequate, was sufficient, to support the conclusion that the police protection requirement of this section would be met. Williams v. Town of Grifton, 19 N.C. App. 462, 199 S.E.2d 288 (1973).

Extent to Which Area Needs Municipal Service. — While the extent to which an area needs municipal services is among the factors to be considered in a decision to annex, the statute requires only that a city demonstrate an ability to serve the area to be annexed. Thompson v. City of Salisbury, 24 N.C. App. 616, 211 S.E.2d 856 (1975).

Annexation ordinance and annexation report met the requirements of this section and § 160A-37. Williams v. Town of Grifton, 22 N.C. App. 611, 207 S.E.2d 275 (1974).

Applied in Rexham Corp. v. Town of Pineville, 26 N.C. App. 349, 216 S.E.2d 445 (1975).

§ 160A-36. Character of area to be annexed. — (a) A municipal governing board may extend the municipal corporate limits to include any area which meets the general standards of subsection (b), and which meets the requirements of subsection (c).

(b) The total area to be annexed must meet the following standards:

(1) It must be adjacent or contiguous to the municipality's boundaries at the time the annexation proceeding is begun.

(2) At least one eighth of the aggregate external boundaries of the area must coincide with the municipal boundary.

(3) No part of the area shall be included within the boundary of another incorporated municipality.

(c) The area to be annexed must be developed for urban purposes. An area developed for urban purposes is defined as any area which is so developed that at least sixty percent (60%) of the total number of lots and tracts in the area at the time of annexation are used for residential, commercial, industrial, institutional or governmental purposes, and is subdivided into lots and tracts such that at least sixty percent (60%) of the total acreage, not counting the acreage used at the time of annexation for commercial, industrial, governmental or institutional purposes, consists of lots and tracts five acres or less in size.

(d) In fixing new municipal boundaries, a municipal governing board shall, wherever practical, use natural topographic features such as ridge lines and streams and creeks as boundaries, and if a street is used as a boundary, include within the municipality developed land on both sides of the street. (1959, c. 1010, s. 4; 1973, c. 426, s. 74.)

This section was not copied from the laws of other states, but is a result of a study and recommendations made by the Municipal Government Study Commission, which was established in accordance with Joint Resolution 51 of the General Assembly of 1957. Lithium Corp. of America v. Town of Bessemer City, 261 N.C. 532, 135 S.E.2d 574 (1964).

Violation of Statute to Attempt Annexation of Area in Another Municipality. — Any new or amended proceeding by a town correcting all procedural irregularities would be an exercise in futility after the disputed area became a part of another city, because after that date any attempt by the town to annex the disputed area would be in violation of this statute, which prohibits the annexation of an area already included within the boundary of another incorporated municipality. Town of Hudson v. City of Lenoir, 279 N.C. 156, 181 S.E.2d 443 (1971).

Two Tests Provided for Determining Availability. — The General Assembly adopted a standard containing two tests for determining availability for annexation: (1) The use test — that not less than 60% of the lots and tracts in the area must be in actual use, other than for agriculture, and (2) the subdivision test — not less than 60% of the acreage which is in residential use, if any, and is vacant must consist of lots and tracts of five acres or less in size. Lithium Corp. of America v. Town of Bessemer City, 261 N.C. 532, 135 S.E.2d 574 (1964);

Adams-Millis Corp. v. Town of Kernersville, 6 N.C. App. 78, 169 S.E.2d 496 (1969).

Criteria in subsection (c) are known as the "use" test and the "subdivision" test. Thompson v. City of Salisbury, 24 N.C. App. 616, 211 S.E.2d 856 (1975).

Both Tests Must Be Complied with. — The fact that the General Assembly connected the two test clauses in subsection (c) of this section with the conjunctive "and," and the clear abuses and hardships which a literal application of the use test, if alone applied, would produce, leads to the conclusion that the legislative intent is that both tests be complied with. Lithium Corp. of America v. Town of Bessemer City, 261 N.C. 532, 135 S.E.2d 574 (1964).

Both tests established by the General Assembly must be met in order for an area to meet the statutory standard. Adams-Millis Corp. v. Town of Kernersville, 6 N.C. App. 78, 169 S.E.2d 496 (1969).

But Application of Both Tests May Cause Absurd Results in Extreme Cases. — Literal insistence upon the application of both tests in subsection (c) might in some extreme and improbable circumstances bring about absurd results adverse to municipalities. Lithium Corp. of America v. Town of Bessemer City, 261 N.C. 532, 135 S.E.2d 574 (1964).

"Use" means "to put into service" under subsection (c). Southern Ry. v. Hook, 261 N.C. 517, 135 S.E.2d 562 (1964).

Tract Held for Future Development Is Not "Used". — Where about a tenth of a tract of land, marked off by a bumper strip or barrier, is used for parking, and the rest of the tract is graded and held by the owner for possible future industrial development, the vacant part of the tract is not "used" for industrial purposes within the purview of subsection (c). Southern Ry. v. Hook, 261 N.C. 517, 135 S.E.2d 562 (1964).

Classification of Tract As in Industrial Use. — See Adams-Millis Corp. v. Town of Kernersville, 6 N.C. App. 78, 169 S.E.2d 496 (1969).

Determining What Is a "Lot". — There are several methods which can be used in determining what is a lot in making an appraisal of an area to be annexed. One is to count each numbered lot separately. Another is to consider a landlocked lot as part of the lot in front of it and group the two lots — the landlocked lot and the one providing it with access to a street — as being a single lot. A third method would be to consider a group of lots in single ownership and used for a single purpose as being a tract within the meaning of the statute, and count tracts rather than lots. Any one of these methods would be "calculated to provide reasonably accurate results" as required by § 160A-42. Adams-Millis Corp. v. Town of Kernersville, 6 N.C. App. 78, 169 S.E.2d 496 (1969).

It is not unreasonable and beyond the statutory definition to classify a landlocked lot and its fronting lot in single ownership as a single lot in residential use where only the fronting lot contains "a habitable dwelling unit." Adams-Millis Corp. v. Town of Kernersville, 6 N.C. App. 78, 169 S.E.2d 496 (1969).

Golf course, open to the public and operated for profit, is used for a commercial purpose within the meaning of subsection (c). Thompson v. City of Salisbury, 24 N.C. App. 616, 211 S.E.2d 856 (1975).

Splitting of Tracts. — The statutory requirement contained in subsection (d) that a municipality use natural topographic features wherever practical in setting an annexation boundary does not demonstrate a legislative intent to prevent splitting of tracts. Rexham Corp. v. Town of Pineville, 26 N.C. App. 349, 216 S.E.2d 445 (1975).

Use of Street as Reference. — No provision in subsection (d) prevents a municipality from using a street as a reference in setting the boundary lines of an area to be annexed. Rexham Corp. v. Town of Pineville, 26 N.C. App. 349, 216 S.E.2d 445 (1975).

Annexation Ordinance Statement Insufficient without Specific Findings. — A statement in an annexation ordinance that the area to be annexed is in the process of being developed for urban purposes and that more than 60 percent of the area is in use for residential, commercial, industrial, governmental or institutional purposes, and at least 60 percent of the total acreage, not counting the acreage so used, consists of lots and tracts five acres or less in size, does not meet the requirements of this section, the statement being a mere conclusion without specific findings or showing on the face of the record as to the method used by the municipality in making its calculations or any showing as to the present use of any particular tract. Huntley v. Potter, 255 N.C. 619, 122 S.E.2d 681 (1961).

Reason for Judicial Review. — The difficulties of applying the standards of this section in extreme cases are the reason the Municipal Government Study Commission recommended a provision for court review, set out in § 160A-38, to determine whether the agency making the decision made a reasonable decision in accord with statutory standards. Lithium Corp. of America v. Town of Bessemer City, 261 N.C. 532, 135 S.E.2d 574 (1964).

Nothing to Review Unless Compliance Is in Doubt. — If a municipality clearly complies with the standards of subsection (c) of this section, there is nothing to review with respect to the availability of an area proposed for annexation. Where compliance is in doubt, the determination must be made upon the facts in the particular case. Lithium Corp. of America v. Town of Bessemer City, 261 N.C. 532, 135 S.E.2d 574 (1964).

§ 160A-37. Procedure for annexation. — (a) Notice of Intent. — Any municipal governing board desiring to annex territory under the provisions of this Part shall first pass a resolution stating the intent of the municipality to consider annexation. Such resolution shall describe the boundaries of the area under consideration and fix a date for a public hearing on the question of annexation, the date for such public hearing to be not less than 30 days and not more than 60 days following passage of the resolution.

(b) Notice of Public Hearing. — The notice of public hearing shall

(1) Fix the date, hour and place of the public hearing.

(2) Describe clearly the boundaries of the area under consideration.

(3) State that the report required in G.S. 160A-35 will be available at the office of the municipal clerk at least 14 days prior to the date of the public hearing.

Such notice shall be given by publication in a newspaper having general circulation in the municipality once a week for at least four successive weeks prior to the date of the hearing. The period from the date of the first publication to the date of the last publication, both dates inclusive, shall be not less than 22 days including Sundays, and the date of the last publication shall be not more than seven days preceding the date of public hearing. If there be no such newspaper, the municipality shall post the notice in at least five public places within the municipality and at least five public places in the area to be annexed for 30 days prior to the date of public hearing.

(c) Action prior to Hearing. — At least 14 days before the date of the public hearing, the governing board shall approve the report provided for in G.S. 160A-35, and shall make it available to the public at the office of the municipal clerk. In addition, the municipality may prepare a summary of the full report for public distribution.

(d) Public Hearing. — At the public hearing a representative of the municipality shall first make an explanation of the report required in G.S. 160A-35. Following such explanation, all persons resident or owning property in the territory described in the notice of public hearing, and all residents of the municipality, shall be given an opportunity to be heard.

(e) Passage of the Annexation Ordinance. — The municipal governing board shall take into consideration facts presented at the public hearing and shall have authority to amend the report required by G.S. 160A-35 to make changes in the plans for serving the area proposed to be annexed so long as such changes meet the requirements of G.S. 160A-35. At any regular or special meeting held no sooner that the seventh day following the public hearing and not later than 60 days following such public hearing, the governing board shall have authority to adopt an ordinance extending the corporate limits of the municipality to include all, or such part, of the area described in the notice of public hearing which meets the requirements of G.S. 160A-36 and which the governing board has concluded should be annexed. The ordinance shall:

(1) Contain specific findings showing that the area to be annexed meets the requirements of G.S. 160A-36. The external boundaries of the area to be annexed shall be described by metes and bounds. In showing the application of G.S. 160A-36(c) and (d) to the area, the governing board may refer to boundaries set forth on a map of the area and incorporate same by reference as a part of the ordinance.

(2) A statement of the intent of the municipality to provide services to the area being annexed as set forth in the report required by G.S. 160A-35.

(3) A specific finding that on the effective date of annexation the municipality will have funds appropriated in sufficient amount to

finance construction of any water and sewer lines found necessary in the report required by G.S. 160A-35 to extend the basic water and/or sewer system of the municipality into the area to be annexed, or that on the effective date of annexation the municipality will have authority to issue bonds in an amount sufficient to finance such construction. If authority to issue such bonds must be secured from the electorate of the municipality prior to the effective date of annexation, then the effective date of annexation shall be no earlier than the day following the statement of the successful result of the bond election.

(4) Fix the effective date of annexation. The effective date of annexation may be fixed for any date within 12 months from the date of passage of the ordinance.

(f) Effect of Annexation Ordinance. — From and after the effective date of the annexation ordinance, the territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in such municipality and shall be entitled to the same privileges and benefits as other parts of such municipality. If territory is annexed its liability for municipal taxes for the fiscal year in which it is annexed shall be determined by applying the following ratio against the total taxes that would be due on the property if it had been annexed prior to the beginning of the fiscal year: The numerator shall be the number 365 minus the number of days after the preceding July 1 and immediately prior to the effective date of the annexation, and the denominator of which is the number 365. However, the due date of such municipal taxes shall be the effective date of annexation of said territory and the taxes may be paid at par or face amount at any time before the one hundred and twentieth day after the due date. On or after the one hundred and twentieth day and before the one hundred and fiftieth day from the due date there shall be added to the taxes interest at the rate of two percent (2%). On or after the one hundred and fiftieth day from the due date, there shall be added to the taxes, in addition to the two percent (2%) provided above, interest at the rate of three fourths of one percent (¾ of 1%) per 30 days or fraction thereof until the taxes plus interest have been paid. If the effective date of annexation falls between January 1 and June 30, the municipality shall, for purposes of levying taxes for the fiscal year beginning July 1 following the date of annexation, obtain from the county a record of property in the area being annexed which was listed for taxation as of said January 1. If the effective date of annexation falls between June 1 and June 30, and the effective date of the privilege license tax ordinance of the annexing municipality is June 1, then businesses in the area to be annexed shall be liable for taxes imposed in such ordinance from and after the effective date of annexation.

(g) Simultaneous Annexation Proceedings. — If a municipality is considering the annexation of two or more areas which are all adjacent to the municipal boundary but are not adjacent to one another, it may undertake simultaneous proceedings under authority of this Part for the annexation of such areas.

(h) Remedies for Failure to Provide Services. — If, not earlier than one year from the effective date of annexation, and not later than 15 months from the effective date of annexation, any person owning property in the annexed territory shall believe that the municipality has not followed through on its service plans adopted under the provisions of G.S. 160A-35(3) and 160A-37(e), such person may apply for a writ of mandamus under the provisions of Article 40, Chapter 1 of the General Statutes. Relief may be granted by the judge of superior court

(1) If the municipality has not provided the services set forth in its plan submitted under the provisions of G.S. 160A-35(3)a on substantially the same basis and in the same manner as such services were provided

within the rest of the municipality prior to the effective date of annexation, and

(2) If at the time the writ is sought such services set forth in the plan submitted under the provisions of G.S. 160A-35(3)a are still being provided on substantially the same basis and in the same manner as on the date of annexation of the municipality.

Relief may also be granted by the judge of superior court

(1) If the plans submitted under the provisions of G.S. 160A-35(3)c require the construction of major trunk water mains and sewer outfall lines and

(2) If contracts for such construction have not yet been let.

If a writ is issued, costs in the action, including a reasonable attorney's fee for such aggrieved person, shall be charged to the municipality. (1959, c. 1010, s. 5; 1967, c. 1226, s. 1; 1973, c. 426, s. 74; 1975, c. 576, s. 3.)

Local Modification. — Town of Grifton: 1975, c. 479.

Editor's Note. — The 1975 amendment substituted the present second, third, fourth and fifth sentences of subsection (f) for the former second sentence, which read "The newly annexed territory shall be subject to municipal taxes levied for the fiscal year following the effective date of annexation."

Article 40, Chapter 1, referred to in the first sentence of subsection (h), was repealed by Session Laws 1967, c. 954, s. 4.

Annexed Areas Need Not Be Contiguous to Each Other. — If the areas to be annexed meet the standards prescribed, it does not matter whether they be contiguous. Subsection (g) of this section simply alleviates the necessity for separate annexation proceedings where areas to be annexed are adjacent to the municipality but not adjacent to each other and specifically provides that annexation procedures may be simultaneously instituted and carried forward. Adams-Millis Corp. v. Town of Kernersville, 6 N.C. App. 78, 169 S.E.2d 496 (1969).

But Contiguous Areas Are Not Excluded from Annexation. — Subsection (g) of this section is not interpreted to exclude annexation of areas contiguous to the municipality which are also contiguous to each other. Adams-Millis Corp. v. Town of Kernersville, 6 N.C. App. 78, 169 S.E.2d 496 (1969).

Newly annexed territory is subject to municipal taxes levied for the fiscal year following the effective date of annexation under subsection (f) of this section. A taxpayer's right to recover taxes paid under protest for a fiscal year depends upon the date the annexation ordinance became effective under § 160A-38(i). Adams-Millis Corp. v. Town of Kernersville, 281 N.C. 147, 187 S.E.2d 704 (1972), decided under this section as it stood before the 1975 amendment.

Subsection (e) contains no provision requiring a second public hearing before the annexation report may be amended. Williams v. Town of Grifton, 22 N.C. App. 611, 207 S.E.2d 275 (1974).

To hold that a public hearing is always necessary when an annexation report is amended would result in a proliferation of unnecessary hearings. Williams v. Town of Grifton, 22 N.C. App. 611, 207 S.E.2d 275 (1974).

Annexation ordinance and annexation report met the requirements of § 160A-35 and this section. Williams v. Town of Grifton, 22 N.C. App. 611, 207 S.E.2d 275 (1974).

Where annexation is completed without being challenged in the manner prescribed by § 160A-38, it becomes an accomplished fact and the remedies of property owners and citizens within the annexed areas are those provided in subsection (h) of this section. Gaskill v. Costlow, 270 N.C. 686, 155 S.E.2d 148 (1967).

Remedy Where Municipality Has Not Carried Out Service Plans Adopted under Subsection (e). — The statutory remedy for owners of property in annexed territory where the municipality has not followed through on its service plans adopted under the provisions of subdivision (3) of § 160A-35 and subsection (e) of this section is by writ of mandamus. Safrit v. Costlow, 270 N.C. 680, 155 S.E.2d 252 (1967).

Time for Bringing Action for Mandamus. — The owner of property within territory annexed by a municipality may bring an action for mandamus after the expiration of one year from the effective date of annexation and prior to the expiration of 15 months from such date, to compel the municipality to follow through on its plans for furnishing essential municipal services to the area annexed in accordance with the plans filed in the proceedings. Safrit v. Costlow, 270 N.C. 680, 155 S.E.2d 252 (1967).

Appeal Postpones Effective Date of Annexation. — Where an appeal from an annexation ordinance was pending in the Court of Appeals on the effective date of annexation specified in the ordinance, May 15, 1969, and the decision of the Court of Appeals was filed and certified in September 1969, property within the area being annexed was not subject to municipal ad valorem taxes for the fiscal year beginning July 1, 1969, since (1) newly annexed territory is subject to municipal taxes levied for the fiscal

year following the effective date of annexation, under subsection (f) of this section, and (2) under § 160A-38(i), the appeal postponed the effective date of the ordinance until the date of the final judgment of the appellate court. Adams-Millis Corp. v. Town of Kernersville, 281 N.C. 147, 187 S.E.2d 704 (1972), decided under this section as it stood before the 1975 amendment.

Applied in Huntley v. Potter, 255 N.C. 619, 122 S.E.2d 681 (1961); Dunn v. City of Charlotte, 284 N.C. 542, 201 S.E.2d 873 (1974); Rexham Corp. v. Town of Pineville, 26 N.C. App. 349, 216 S.E.2d 445 (1975).

§ 160A-38. Appeal. — (a) Within 30 days following the passage of an annexation ordinance under authority of this Part, any person owning property in the annexed territory who shall believe that he will suffer material injury by reason of the failure of the municipal governing board to comply with the procedure set forth in this Part or to meet the requirements set forth in G.S. 160A-36 as they apply to his property may file a petition in the superior court of the county in which the municipality is located seeking review of the action of the governing board.

(b) Such petition shall explicitly state what exceptions are taken to the action of the governing board and what relief the petitioner seeks. Within five days after the petition is filed with the court, the person seeking review shall serve copies of the petition by registered mail, return receipt requested, upon the municipality.

(c) Within 15 days after receipt of the copy of the petition for review, or within such additional time as the court may allow, the municipality shall transmit to the reviewing court

(1) A transcript of the portions of the municipal journal or minute book in which the procedure for annexation has been set forth and

(2) A copy of the report setting forth the plans for extending services to the annexed area as required in G.S. 160A-35.

(d) If two or more petitions for review are submitted to the court, the court may consolidate all such petitions for review at a single hearing, and the municipality shall be required to submit only one set of minutes and one report as required in subsection (c).

(e) At any time before or during the review proceeding, any petitioner or petitioners may apply to the reviewing court for an order staying the operation of the annexation ordinance pending the outcome of the review. The court may grant or deny the stay in its discretion upon such terms as it deems proper, and it may permit annexation of any part of the area described in the ordinance concerning which no question for review has been raised.

(f) The court shall fix the date for review of annexation proceedings under this Chapter, which review date shall preferably be within 30 days following the last day for receiving petitions to the end that review shall be expeditious and without unnecessary delays. The review shall be conducted by the court without a jury. The court may hear oral arguments and receive written briefs, and may take evidence intended to show either

(1) That the statutory procedure was not followed or

(2) That the provisions of G.S. 160A-35 were not met, or

(3) That the provisions of G.S. 160A-36 have not been met.

(g) The court may affirm the action of the governing board without change, or it may

(1) Remand the ordinance to the municipal governing board for further proceedings if procedural irregularities are found to have materially prejudiced the substantive rights of any of the petitioners.

(2) Remand the ordinance to the municipal governing board for amendment of the boundaries to conform to the provisions of G.S. 160A-36 if it finds that the provisions of G.S. 160A-36 have not been met; provided, that the court cannot remand the ordinance to the municipal governing

board with directions to add area to the municipality which was not included in the notice of public hearing and not provided for in plans for service.

(3) Remand the report to the municipal governing board for amendment of the plans for providing services to the end that the provisions of G.S. 160A-35 are satisfied.

If any municipality shall fail to take action in accordance with the court's instructions upon remand within three months from receipt of such instructions, the annexation proceeding shall be deemed null and void.

(h) Any party to the review proceedings, including the municipality, may appeal to the Supreme Court from the final judgment of the superior court under rules of procedure applicable in other civil cases. The appealing party may apply to the superior court for a stay in its final determination, or a stay of the annexation ordinance, whichever shall be appropriate, pending the outcome of the appeal to the Supreme Court; provided, that the superior court may, with the agreement of the municipality, permit annexation to be effective with respect to any part of the area concerning which no appeal is being made and which can be incorporated into the city without regard to any part of the area concerning which an appeal is being made.

(i) If part or all of the area annexed under the terms of an annexation ordinance is the subject of an appeal to the superior or Supreme Court on the effective date of the ordinance, then the ordinance shall be deemed amended to make the effective date with respect to such area the date of the final judgment of the superior or Supreme Court, whichever is appropriate, or the date the municipal governing board completes action to make the ordinance conform to the court's instructions in the event of remand. (1959, c. 1010, s. 6; 1973, c. 426, s. 74.)

Section Provides Only Procedure Available to Property Owners to Prevent Annexation. — The statutory remedy provided by this section is the only procedure available to property owners to prevent the annexation provided by an annexation ordinance. Gaskill v. Costlow, 270 N.C. 686, 155 S.E.2d 148 (1967).

Court of Appeals Jurisdiction. — An appeal from an order of the superior court affirming an annexation ordinance was properly taken to the Court of Appeals, notwithstanding that by clear legislative oversight subsections (h) and (i) of this section were not amended to include the Court of Appeals as one of the appellate courts, since § 7A-27 gives initial appellate jurisdiction of such cause to the Court of Appeals, and the Court of Appeals, therefore, is deemed to be included in subsections (h) and (i). Adams-Millis Corp. v. Town of Kernersville, 281 N.C. 147, 187 S.E.2d 704 (1972).

Who May Appeal. — Subsection (a) allows persons owning property in the area to be annexed to appeal if such property owner believes that he will suffer material injury. Taylor v. City of Raleigh, 22 N.C. App. 259, 206 S.E.2d 401 (1974).

Although the city was proceeding under a local act which did not set forth the persons who could appeal, rather than under this Chapter, this did not extend the right to challenge the annexation to persons outside the annexed area who did not own property within it. Taylor v. City of Raleigh, 22 N.C. App. 259, 206 S.E.2d 401 (1974).

Property Owner May Petition for Review within 30 Days after Passage of Ordinance. — Any person owning property in annexed territory has a right, within 30 days following the passage of the annexation ordinance, to challenge its validity by petition for review filed in the superior court. Gaskill v. Costlow, 270 N.C. 686, 155 S.E.2d 148 (1967).

Thereafter, Remedies Are Those Provided in Subsection (h) of § 160A-37. — Where annexation is completed without being challenged in the manner prescribed by this section, it becomes an accomplished fact and the remedies of property owners and citizens within the annexed areas are those provided in subsection (h) of § 160A-37. Gaskill v. Costlow, 270 N.C. 686, 155 S.E.2d 148 (1967).

And Independent Action to Have Ordinance Declared Void Ab Initio May Not Be Maintained. — An owner of land in an area annexed by a municipality may attack the validity of the annexation ordinance only by filing a petition within 30 days following the passage of the ordinance seeking a review of the action of the municipal board of commissioners, in accordance with the procedure provided by this section, and an independent action instituted some 22 months after the adoption of the

ordinance and seeking to have it declared void ab initio will be dismissed. Gaskill v. Costlow, 270 N.C. 686, 155 S.E.2d 148 (1967).

Reason for Judicial Review. — The difficulties of applying the standards of § 160A-36 in extreme cases are the reason the Municipal Government Study Commission recommended a provision for court review, set out in this section, to determine whether the agency making the decision made a reasonable decision in accord with statutory standards. Lithium Corp. of America v. Town of Bessemer City, 261 N.C. 532, 135 S.E.2d 574 (1964).

Appeal Postpones Effective Date of Annexation. — Where an appeal from an annexation ordinance was pending in the Court of Appeals on the effective date of annexation specified in the ordinance, May 15, 1969, and the decision of the Court of Appeals was filed and certified in September 1969, property within the area being annexed was not subject to municipal ad valorem taxes for the fiscal year beginning July 1, 1969, since (1) newly annexed territory is subject to municipal taxes levied for the fiscal year following the effective date of annexation, § 160A-37(f), and (2) under subsection (i) of this section the appeal postponed the effective date of the ordinance until the date of the final judgment of the appellate court. Adams-Millis Corp. v. Town of Kernersville, 281 N.C. 147, 187 S.E.2d 704 (1972).

The consolidation of two or more petitions for review in a single hearing referred to in subsection (d) refers to the consolidation of two or more petitions which involve a single annexation area and ordinance. Dunn v. City of Charlotte, 284 N.C. 542, 201 S.E.2d 873 (1974).

Record Must Show Prima Facie Compliance. — Upon review in the superior court of a municipal annexation ordinance enacted pursuant to this Article, the record of the proceedings, including the report and annexation ordinance, must show prima facie complete and substantial compliance with this Article as a condition precedent to the right of the municipality to annex the territory. Huntley v. Potter, 255 N.C. 619, 122 S.E.2d 681 (1961); In re Annexation Ordinance, 255 N.C. 633, 122 S.E.2d 690 (1961).

Which Puts Burden on Petitioners to Prove Prejudicial Irregularity. — Where, upon review in the superior court of an annexation ordinance, the record of the proceeding shows prima facie that there has been substantial compliance with the requirements and provisions of the annexation statute, the burden is upon petitioners to show by competent evidence failure on the part of the municipality to comply with the statutory requirements as a matter of fact, or irregularity in the proceedings which materially prejudices the substantive rights of petitioners. Huntley v. Potter, 255 N.C. 619, 122 S.E.2d 681 (1961); In re Annexation Ordinance, 255 N.C. 633, 122 S.E.2d 690 (1961).

The burden is upon petitioners in such case by reason of the presumption that public officials will discharge their duties in good faith and exercise their powers in accord with the spirit and purpose of the law. Huntley v. Potter, 255 N.C. 619, 122 S.E.2d 681 (1961).

Court May Not Amend Record. — The superior court itself is without authority to amend the report, ordinance or other part of the record. This is true even if evidence is presented which justifies amendment. Huntley v. Potter, 255 N.C. 619, 122 S.E.2d 681 (1961).

But Must Remand Where Compliance Not Shown by Record. — Under this section, if the record of annexation proceedings on its face fails to show substantial compliance with any essential provision of the Article, the superior court upon review must remand to the governing board for amendment with respect to such noncompliance. Huntley v. Potter, 255 N.C. 619, 122 S.E.2d 681 (1961).

Nothing to Review if Compliance Is Clear. — If a municipality clearly complies with the standards of subsection (c) of § 160A-36, there is nothing to review with respect to the availability of an area proposed for annexation. Lithium Corp. of America v. Town of Bessemer City, 261 N.C. 532, 135 S.E.2d 574 (1964).

Where compliance is in doubt, the determination must be made upon the facts in the particular case with respect to the availability of an area proposed for annexation under subsection (c) of § 160A-36. Lithium Corp. of America v. Town of Bessemer City, 261 N.C. 532, 135 S.E.2d 574 (1964).

Failure to Allege Material Injury Not Fatal. — While the better practice would be to allege specifically that the petitioner will suffer material injury by reason of the failure of respondent to comply with the statutory procedures regarding annexation, the failure to do so is not fatal, particularly if the petition contains allegations from which material injury can be implied. Adams-Millis Corp. v. Town of Kernersville, 6 N.C. App. 78, 169 S.E.2d 496 (1969).

When Court May Permit Annexation of Part of Area. — The superior court may permit, under subsection (h) of this section, an annexation ordinance to be effective with respect to a part of the area proposed only when there is no appeal in regard to such part and the municipality agrees to the order for such partial annexation. Huntley v. Potter, 255 N.C. 619, 122 S.E.2d 681 (1961).

Where an order is issued restraining the operation of an annexation ordinance as to the entire area pending review, subsection (e) of this section has no application, since the statute permits the court to approve the annexation of a part of the proposed area only when no

question for review has been raised as to such part. Huntley v. Potter, 255 N.C. 619, 122 S.E.2d 681 (1961).

Public Hearing on Remand. — Neither subdivision (g)(2) nor any other provision of the annexation statute requires the municipal governing board upon remand to hold a second public hearing unless it adds area not included in the original notice of public hearing and not provided for in the plans for service. Rexham Corp. v. Town of Pineville, 26 N.C. App. 349, 216 S.E.2d 445 (1975).

Applied in Safrit v. Costlow, 270 N.C. 680, 155 S.E.2d 252 (1967); Town of Hudson v. City of Lenoir, 279 N.C. 156, 181 S.E.2d 443 (1971).

Stated in Thompson v. Whitley, 344 F. Supp. 480 (E.D.N.C. 1972).

Cited in Williams v. Town of Grifton, 22 N.C. App. 611, 207 S.E.2d 275 (1974).

§ 160A-39. Annexation recorded. — Whenever the limits of a municipality are enlarged in accordance with the provisions of this Part, it shall be the duty of the mayor of the municipality to cause an accurate map of such annexed territory, together with a copy of the ordinance duly certified, to be recorded in the office of the register of deeds of the county or counties in which such territory is situated and in the office of the Secretary of State. (1959, c. 1010, s. 7; 1973, c. 426, s. 74.)

§ 160A-40. Authorized expenditures. — Municipalities initiating annexations under the provisions of this Part are authorized to make expenditures for surveys required to describe the property under consideration or for any other purpose necessary to plan for the study and/or annexation of unincorporated territory adjacent to the municipality. In addition, following final passage of the annexation ordinance, the annexing municipality shall have authority to proceed with expenditures for construction of water and sewer lines and other capital facilities and for any other purpose calculated to bring services into the annexed area in a more effective and expeditious manner prior to the effective date of annexation. (1959, c. 1010, s. 8; 1973, c. 426, s. 74.)

§ 160A-41. Definitions. — The following terms where used in this Part shall have the following meanings, except where the context clearly indicates a different meaning:

(1) "Contiguous area" shall mean any area which, at the time annexation procedures are initiated, either abuts directly on the municipal boundary or is separated from the municipal boundary by a street or street right-of-way, a creek or river, the right-of-way of a railroad or other public service corporation, lands owned by the municipality or some other political subdivision, or lands owned by the State of North Carolina.

(2) "Used for residential purposes" shall mean any lot or tract five acres or less in size on which is constructed a habitable dwelling unit. (1959, c. 1010, s. 9; 1973, c. 426, s. 74.)

Classification of Lots in Single Ownership as Single Lot. — It is not unreasonable and beyond the statutory definition to classify a landlocked lot and its fronting lot in single ownership as a single lot in residential use where only the fronting lot contains "a habitable dwelling unit." Adams-Millis Corp. v. Town of Kernersville, 6 N.C. App. 78, 169 S.E.2d 496 (1969).

Quoted in Huntley v. Potter, 255 N.C. 619, 122 S.E.2d 681 (1961).

§ 160A-42. Land estimates. — In determining degree of land subdivision for purposes of meeting the requirements of G.S. 160A-36, the municipality shall use methods calculated to provide reasonably accurate results. In determining whether the standards set forth in G.S. 160A-36 have been met on appeal to the superior court under G.S. 160A-38, the reviewing court shall accept the estimates of the municipality:

(1) As to total area if the estimate is based on an actual survey, or on county tax maps or records, or on aerial photographs, or on some other reasonably reliable map used for official purposes by a governmental agency unless the petitioners on appeal demonstrate that such estimates are in error in the amount of five percent (5%) or more.
(2) As to degree of land subdivision, if the estimates are based on an actual survey, or on county tax maps or records, or on aerial photographs, or on some other reasonably reliable source, unless the petitioners on appeal show that such estimates are in error in the amount of five percent (5%) or more. (1959, c. 1010, s. 10; 1973, c. 426, s. 74.)

Determining What Is a "Lot". — There are several methods which can be used in determining what is a lot in making an appraisal of an area to be annexed. One is to count each numbered lot separately. Another is to consider a landlocked lot as part of the lot in front of it and group the two lots — the landlocked lot and the one providing it with access to a street as being a single lot. A third method would be to consider a group of lots in single ownership and used for single purpose as being a tract within the meaning of the statute, and count tracts rather than lots. Any one of these methods would be "calculated to provide reasonably accurate results" as required by this section. Adams-Millis Corp. v. Town of Kernersville, 6 N.C. App. 78, 169 S.E.2d 496 (1969).

Applied in Huntley v. Potter, 255 N.C. 619, 122 S.E.2d 681 (1961); Thompson v. City of Salisbury, 24 N.C. App. 616, 211 S.E.2d 856 (1975).

Cited in Thompson v. Whitley, 344 F. Supp. 480 (E.D.N.C. 1972).

§ 160A-43. Effect of Part on other laws. — From and after July 1, 1959, this Part shall be in full force and effect with respect to all municipalities having a population of less than 5,000 persons according to the last preceding federal decennial census. The provisions of Part 1 of Article 36 of Chapter 160 [Part 1 of Article 4A of Chapter 160A] of the General Statutes of North Carolina shall remain in full force and effect with respect to such municipalities as an alternative procedure until June 30, 1962. From and after July 1, 1962, all the provisions of Part 1 of Article 36 of Chapter 160 of the General Statutes of North Carolina, with the exception of G.S. 160-452 [G.S. 160A-31] as it exists at the time of the passage of this Part or as it may be amended at this session of the General Assembly, shall be repealed. Insofar as the provisions of this Part are inconsistent with the provisions of any other law, the provisions of this Part shall be controlling. (1959, c. 1010, s. 11; 1961, c. 655, s. 1; 1967, c. 1226, s. 2; 1973, c. 426, s. 74.)

Local Modification. — Cumberland: 1969, c. 1058.

Cited in Thompson v. Whitley, 344 F. Supp. 480 (E.D.N.C. 1972).

§ 160A-44. Counties excepted from Part; Part 1 continued for such counties. — The provisions of this Part shall not apply to the following counties: Alleghany, Edgecombe, Halifax, Iredell, Nash, except for the towns of Nashville, Spring Hope, Castalia and Middlesex, Pender, Perquimans and Person, provided the provisions of this Part shall apply to the towns of Whitakers, Sharpsburg, and Battleboro in Edgecombe and Nash Counties. This Part shall not apply to the town of King in Stokes County, nor to the town of Pilot Mountain in Surry County. No territory located in Brunswick County may be annexed under the provisions of this Part by any city with a population, according to the most recent federal census, of less than 2,000.

Notwithstanding any other provisions of this Part, Part 1 of Article 36 of Chapter 160 [Part 1 of Article 4A of Chapter 160A] of the General Statutes of North Carolina and specifically G.S. 160A-31 as the same may be rewritten or amended, shall remain in full force and effect as to the counties herein named.

(1959, c. 1010, s. 12; 1961, c. 1081; 1965, cc. 782, 875; 1967, c. 156, s. 1; 1969, c. 438, s. 1; c. 1232; 1971, c. 28; 1973, c. 426, s. 74; 1975, c. 290, s. 1.)

Editor's Note. — The 1975 amendment added the last sentence of the first paragraph.

Session Laws 1973, c. 335, provides that the Town of Scotland Neck is authorized to annex property under the procedures of both Part 1 and Part 2 of this Article.

Session Laws 1973, c. 983, provides that all municipalities in Dare County are authorized to extend their corporate limits by any procedure contained in Part 1, Part 2 or Part 3 of this Article.

Session Laws 1975, c. 290, s. 3, provides that territory in Brunswick County may be annexed pursuant to the provisions of Chapter 160A, Article 4A, Part 1.

Alternative Procedures Authorized. — The General Assembly has the authority to authorize the governing bodies of municipalities to annex territory upon meeting the requirements of Part 3 of this Article, which is equally applicable to annexation by a special act of the legislature. The only discretion given to the governing boards of such municipalities is the permissive or discretionary right to use this new method of annexation provided such boards conform to the procedure and meet the requirements set out in the act as a condition precedent to the right to annex. Plemmer v. Matthewson, 281 N.C. 722, 190 S.E.2d 204 (1972).

Part 3. Annexation by Cities of 5,000 or More.

§ 160A-45. Declaration of policy. — It is hereby declared as a matter of State policy:

(1) That sound urban development is essential to the continued economic development of North Carolina;

(2) That municipalities are created to provide the governmental services essential for sound urban development and for the protection of health, safety and welfare in areas being intensively used for residential, commercial, industrial, institutional and governmental purposes or in areas undergoing such development;

(3) That municipal boundaries should be extended in accordance with legislative standards applicable throughout the State, to include such areas and to provide the high quality of governmental services needed therein for the public health, safety and welfare;

(4) That new urban development in and around municipalities having a population of 5,000 or more persons is more scattered than in and around smaller municipalities, and that such larger municipalities have greater difficulty in expanding municipal utility systems and other service facilities to serve such scattered development, so that the legislative standards governing annexation by larger municipalities must take these facts into account if the objectives set forth in this section are to be attained;

(5) That areas annexed to municipalities in accordance with such uniform legislative standards should receive the services provided by the annexing municipality as soon as possible following annexation. (1959, c. 1009, s. 1; 1973, c. 426, s. 74.)

Editor's Note. — Sections 160A-45 through 160A-56 were originally codified as §§ 160-453.13 through 160-453.24. They were transferred to their present position by Session Laws 1973, c. 426, s. 74.

Policy Supports Statutory Scheme. — Given the State policy, it is not difficult to conceive of a rational basis supportive of the patchwork statutory scheme governing annexation in North Carolina. Thompson v. Whitley, 344 F. Supp. 480 (E.D.N.C. 1972).

Quoted in In re Annexation Ordinances, 253 N.C. 637, 117 S.E.2d 795 (1961).

§ 160A-46. Authority to annex. — The governing board of any municipality having a population of 5,000 or more persons according to the last federal

decennial census may extend the corporate limits of such municipality under the procedure set forth in this Part. (1959, c. 1009, s. 2; 1973, c. 426, s. 74.)

This section is constitutional. In re Annexation Ordinances, 253 N.C. 637, 117 S.E.2d 795 (1961).

No Discretion Delegated to Municipalities. — It is clear that by the enactment of Part 3 of this Article the General Assembly did not delegate to the municipalities of the State having a population of 5,000 or more any discretion with respect to the provisions of the law. The guiding standards and requirements of the act are set out in great detail. The only discretion given to the governing boards of such municipalities is the permissive or discretionary right to use this new method of annexation, provided such boards conform to the procedure and meet the requirements set out in the act as a condition precedent to the right to annex. In re Annexation Ordinances, 253 N.C. 637, 117 S.E.2d 795 (1961).

§ 160A-47. Prerequisites to annexation; ability to serve; report and plans. — A municipality exercising authority under this Part shall make plans for the extension of services to the area proposed to be annexed and shall, prior to the public hearing provided for in G.S. 160A-49, prepare a report setting forth such plans to provide services to such area. The report shall include:

(1) A map or maps of the municipality and adjacent territory to show the following information:

a. The present and proposed boundaries of the municipality.

b. The present major trunk water mains and sewer interceptors and outfalls, and the proposed extensions of such mains and outfalls as required in subdivision (3) of this section.

c. The general land use pattern in the area to be annexed.

(2) A statement showing that the area to be annexed meets the requirements of G.S. 160A-48.

(3) A statement setting forth the plans of the municipality for extending to the area to be annexed each major municipal service performed within the municipality at the time of annexation. Specifically, such plans shall:

a. Provide for extending police protection, fire protection, garbage collection and street maintenance services to the area to be annexed on the date of annexation on substantially the same basis and in the same manner as such services are provided within the rest of the municipality prior to annexation. If a water distribution system is not available in the area to be annexed, the plans must call for reasonably effective fire protection services until such time as waterlines are made available in such area under existing municipal policies for the extension of waterlines.

b. Provide for extension of major trunk water mains and sewer outfall lines into the area to be annexed so that when such lines are constructed, property owners in the area to be annexed will be able to secure public water and sewer service, according to the policies in effect in such municipality for extending water and sewer lines to individual lots or subdivisions.

c. If extension of major trunk water mains and sewer outfall lines into the area to be annexed is necessary, set forth a proposed timetable for construction of such mains and outfalls as soon as possible following the effective date of annexation. In any event, the plans shall call for contracts to be let and construction to begin within 12 months following the effective date of annexation.

d. Set forth the method under which the municipality plans to finance extension of services into the area to be annexed. (1959, c. 1009, s. 3; 1973, c. 426, s. 74.)

Local Modification. — Franklin: 1969, c. 1232.

Plans for Extension of Services Must Be Made. — The requirement of plans for extension to the area to be annexed of all major municipal services performed within the municipality at the time of annexation is a condition precedent to annexation. In re Annexation Ordinance, 255 N.C. 633, 122 S.E.2d 690 (1961).

And City May Not Delegate Duty of Extending Services. — The city must furnish major municipal services to areas annexed as provided by Parts 2 and 3 of this Article. The performance of this duty may not be made to depend upon a doubtful contingency, and may not be delegated to others by the city so as to relieve the city of the duty. If other parties are obligated to the city to perform such duty, the city must enforce the obligation directly against such parties and may not be otherwise relieved of its primary duty to the area which it seeks to make a part of the city for all other purposes. In re Annexation Ordinance, 255 N.C. 633, 122 S.E.2d 690 (1961).

But Plans May Provide for Only Needed Services. — Plans for extension of services may, of course, take into consideration all circumstances and provide only for services if and when needed. In re Annexation Ordinance, 255 N.C. 633, 122 S.E.2d 690 (1961).

Thus, City Must Plan to Maintain Streets. — So far as an annexation proceeding is concerned, the primary duty of street maintenance in an area after annexation is upon the city, and it must in good faith make plans to maintain the streets, whether paved or unpaved, "on substantially the same basis and in the same manner as such services are provided within the rest of the municipality prior to annexation." In re Annexation Ordinance, 255 N.C. 633, 122 S.E.2d 690 (1961).

And Not Limit Its Duty to Streets Meeting Certain Standards. — A municipality may not limit its obligations to maintain streets in the area to be annexed by it to those streets which are improved to stipulated standards by the landowners and developers in the area. Any obligation of the landowners and developers to the city to improve the streets is a matter between them and the municipality and is irrelevant to the question of the sufficiency of the annexation ordinance to meet the requirements of the statute. In re Annexation Ordinance, 255 N.C. 633, 122 S.E.2d 690 (1961).

Even if the property owners and developers in the area to be annexed are under duty to the city to pave all streets and provide storm sewers and curbs and gutters, the city is in no position to rely on this obligation in an annexation proceeding and thereby shift to others the duty which this Article imposes on the city as a condition precedent to annexation. In re Annexation Ordinance, 255 N.C. 633, 122 S.E.2d 690 (1961).

And May Not Limit Water and Sewer Services to Existing Lines. — Where an annexation ordinance contains no plans for the municipality to extend water and sewer services in the area to be annexed beyond those services presently in existence in the area unless the water and sewer lines are extended by landowners and developers in the area, the ordinance fails to meet the requirements of subdivision (3)b of this section. In re Annexation Ordinance, 255 N.C. 633, 122 S.E.2d 690 (1961).

Since Equal Service Is Required. — This Article requires that the services be provided on substantially the same basis and in the same manner as such services are provided within the rest of the municipality prior to annexation. When a municipality engages in supplying water to its inhabitants, it owes the duty of equal service to consumers within its corporate limits, as a general rule. In re Annexation Ordinance, 255 N.C. 633, 122 S.E.2d 690 (1961).

The cost of water and sewer extensions may be assessed upon the lots or parcels of land abutting directly on lateral mains of water and sewer systems pursuant to former §§ 160-241 to 160-248 and 160-255. In re Annexation Ordinance, 255 N.C. 633, 122 S.E.2d 690 (1961).

Full Compliance as to Police and Fire Protection Shown. — Record of annexation proceedings held to show prima facie full compliance with this section in regard to extension of police and fire protection to the area to be annexed. In re Annexation Ordinance, 255 N.C. 633, 122 S.E.2d 690 (1961).

Use of Federal Funds to Finance Extension of Services. — Although a city's proposals with reference to the financing of the extension of services into the area to be annexed contemplated the use of certain federal funds in connection with such financing, the method set forth in plans to finance extension of the services into the areas to be annexed constituted compliance with subdivision (3)d. Dunn v. City of Charlotte, 284 N.C. 542, 201 S.E.2d 873 (1974).

§ 160A-48. Character of area to be annexed. — (a) A municipal governing board may extend the municipal corporate limits to include any area

(1) Which meets the general standards of subsection (b), and

(2) Every part of which meets the requirements of either subsection (c) or subsection (d).

(b) The total area to be annexed must meet the following standards:

(1) It must be adjacent or contiguous to the municipality's boundaries at the time the annexation proceeding is begun.

(2) At least one eighth of the aggregate external boundaries of the area must coincide with the municipal boundary.

(3) No part of the area shall be included within the boundary of another incorporated municipality.

(c) Part or all of the area to be annexed must be developed for urban purposes. An area developed for urban purposes is defined as any area which meets any one of the following standards:

(1) Has a total resident population equal to at least two persons for each acre of land included within its boundaries; or

(2) Has a total resident population equal to at least one person for each acre of land included within its boundaries, and is subdivided into lots and tracts such that at least sixty percent (60%) of the total acreage consists of lots and tracts five acres or less in size and such that at least sixty percent (60%) of the total number of lots and tracts are one acre or less in size; or

(3) Is so developed that at least sixty percent (60%) of the total number of lots and tracts in the area at the time of annexation are used for residential, commercial, industrial, institutional or governmental purposes, and is subdivided into lots and tracts such that at least sixty percent (60%) of the total acreage, not counting the acreage used at the time of annexation for commercial, industrial, governmental or institutional purposes, consists of lots and tracts five acres or less in size.

(d) In addition to areas developed for urban purposes, a governing board may include in the area to be annexed any area which does not meet the requirements of subsection (c) if such area either:

(1) Lies between the municipal boundary and an area developed for urban purposes so that the area developed for urban purposes is either not adjacent to the municipal boundary or cannot be served by the municipality without extending services and/or water and/or sewer lines through such sparsely developed area; or

(2) Is adjacent, on at least sixty percent (60%) of its external boundary, to any combination of the municipal boundary and the boundary of an area or areas developed for urban purposes as defined in subsection (c).

The purpose of this subsection is to permit municipal governing boards to extend corporate limits to include all nearby areas developed for urban purposes and where necessary to include areas which at the time of annexation are not yet developed for urban purposes but which constitute necessary land connections between the municipality and areas developed for urban purposes or between two or more areas developed for urban purposes.

(e) In fixing new municipal boundaries, a municipal governing board shall, wherever practical, use natural topographic features such as ridge lines and streams and creeks as boundaries, and if a street is used as a boundary, include within the municipality land on both sides of the street and such outside boundary may not extend more than 200 feet beyond the right-of-way of the street. (1959, c. 1009, s. 4; 1973, c. 426, s. 74.)

Tests as to Urban Development Must Be Applied to Whole Annexation Area. — Not only must the entire annexation area meet the requirements of subsection (c)(1), but even more importantly, the tests to determine whether an area is developed for urban purposes must be applied to the annexation area as a whole. In re Annexation Ordinance, 284 N.C. 442, 202 S.E.2d 143 (1974).

A city's decision to follow the "study area" formula with respect to population credits was an unreasonable departure from the statutory standards. In re Annexation Ordinance, 284 N.C. 442, 202 S.E.2d 143 (1974).

The city acted under a misapprehension of the law, and misapplied the statutory standard in subsection (c)(1), in deciding that population credits should be applied only in the "study area" in which such credits were accumulated rather than applied uniformly to the whole "area to be annexed." In re Annexation Ordinance, 284 N.C. 442, 202 S.E.2d 143 (1974).

Inclusion of Undeveloped Tract. — Where the area proposed to be annexed by a municipality, when considered as a whole, meets the requirements of subsections (b) and (c) of this section, the fact that a part of the area is an undeveloped tract which does not comply with the standards set out in statute does not require that such part be excluded from annexation. In re Annexation Ordinance, 255 N.C. 633, 122 S.E.2d 690 (1961).

The language of this section simply means that where a developed tract and an undeveloped tract are included in an area to be annexed, and the developed tract complies with subsection (c), but when the undeveloped tract is added, the area as a whole does not so comply, then the undeveloped tract must be excluded unless it complies with one of the requirements of subsection (d). In re Annexation Ordinance, 255 N.C. 633, 122 S.E.2d 690 (1961).

Record of annexation proceedings held to show prima facie full compliance with requirements of this section as to the character of the area to be annexed. In re Annexation Ordinance, 255 N.C. 633, 122 S.E.2d 690 (1961).

§ 160A-49. Procedure for annexation. — (a) Notice of Intent. — Any municipal governing board desiring to annex territory under the provisions of this Part shall first pass a resolution stating the intent of the municipality to consider annexation. Such resolution shall describe the boundaries of the area under consideration and fix a date for a public hearing on the question of annexation, the date for such public hearing to be not less than 30 days and not more than 60 days following passage of the resolution.

(b) Notice of Public Hearing. — The notice of public hearing shall

(1) Fix the date, hour and place of the public hearing.

(2) Describe clearly the boundaries of the area under consideration.

(3) State that the report required in G.S. 160A-47 will be available at the office of the municipal clerk at least 14 days prior to the date of the public hearing.

Such notice shall be given by publication in a newspaper having general circulation in the municipality once a week for at least four successive weeks prior to the date of the hearing. The period from the date of the first publication to the date of the last publication, both dates inclusive, shall be not less than 22 days including Sundays, and the date of the last publication shall be not more than seven days preceding the date of public hearing. If there be no such newspaper, the municipality shall post the notice in at least five public places within the municipality and at least five public places in the area to be annexed for 30 days prior to the date of public hearing.

(c) Action prior to Hearing. — At least 14 days before the date of the public hearing, the governing board shall approve the report provided for in G.S. 160A-47, and shall make it available to the public at the office of the municipal clerk. In addition, the municipality may prepare a summary of the full report for public distribution.

(d) Public Hearing. — At the public hearing a representative of the municipality shall first make an explanation of the report required in G.S. 160A-47. Following such explanation, all persons resident or owning property in the territory described in the notice of public hearing, and all residents of the municipality, shall be given an opportunity to be heard.

(e) Passage of the Annexation Ordinance. — The municipal governing board shall take into consideration facts presented at the public hearing and shall have authority to amend the report required by G.S. 160A-47 to make changes in the plans for serving the area proposed to be annexed so long as such changes meet the requirements of G.S. 160A-47. At any regular or special meeting held no sooner than the seventh day following the public hearing and no later than 60 days following such public hearing, the governing board shall have authority

to adopt an ordinance extending the corporate limits of the municipality to include all, or such part, of the area described in the notice of public hearing which meets the requirements of G.S. 160A-48 and which the governing board has concluded should be annexed. The ordinance shall:

(1) Contain specific findings showing that the area to be annexed meets the requirements of G.S. 160A-48. The external boundaries of the area to be annexed shall be described by metes and bounds. In showing the application of G.S. 160A-48(c) and (d) to the area, the governing board may refer to boundaries set forth on a map of the area and incorporate same by reference as a part of the ordinance.

(2) A statement of the intent of the municipality to provide services to the area being annexed as set forth in the report required by G.S. 160A-47.

(3) A specific finding that on the effective date of annexation the municipality will have funds appropriated in sufficient amount to finance construction of any major trunk water mains and sewer outfalls found necessary in the report required by G.S. 160A-47 to extend the basic water and/or sewer system of the municipality into the area to be annexed, or that on the effective date of annexation the municipality will have authority to issue bonds in an amount sufficient to finance such construction. If authority to issue such bonds must be secured from the electorate of the municipality prior to the effective date of annexation, then the effective date of annexation shall be no earlier than the day following the statement of the successful result of the bond election.

(4) Fix the effective date of annexation. The effective date of annexation may be fixed for any date within 12 months from the date of passage of the ordinance.

(f) Effect of Annexation Ordinance. — From and after the effective date of the annexation ordinance, the territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in such municipality and shall be entitled to the same privileges and benefits as other parts of such municipality. If territory is annexed its liability for municipal taxes for the fiscal year in which it is annexed shall be determined by applying the following ratio against the total taxes that would be due on the property if it had been annexed prior to the beginning of the fiscal year: The numerator shall be the number 365 minus the total number of days after the preceding July 1 and immediately prior to the effective date of the annexation, and the denominator shall be the number 365. However, the due date of such municipal taxes shall be the effective date of annexation of said territory and the taxes may be paid at par or face amount at any time before the one hundred and twentieth day after the due date. On or after the one hundred and twentieth day and before the one hundred and fiftieth day from the due date there shall be added to the taxes interest at the rate of two percent (2%). On or after the one hundred and fifteith day from the due date, there shall be added to the taxes, in addition to the two percent (2%) provided above, interest at the rate of three fourths of one percent (¾ of 1%) per 30 days or fraction thereof until the taxes plus interest have been paid. Provided that annexed property which is a part of a sanitary district, which has installed water and sewer lines, paid for by the residents of said district, shall not be subject to that part of the municipal taxes levied for debt service for the first five years after the effective date of annexation. If this proviso should be declared by a court of competent jurisdiction to be in violation of any provision of the federal or State Constitution, the same shall not affect the remaining provisions of this Part. If the effective date of annexation falls between January 1 and June 30, the municipality shall, for purposes of levying taxes for the fiscal year beginning July 1 following the date of annexation, obtain from the county a record of property in the area being

annexed which was listed for taxation as of said January 1. If the effective date of annexation falls between June 1 and June 30, and the effective date of the privilege license tax ordinance of the annexing municipality is June 1, then businesses in the area to be annexed shall be liable for taxes imposed in such ordinances from and after the effective date of annexation.

(g) Simultaneous Annexation Proceedings. — If a municipality is considering the annexation of two or more areas which are all adjacent to the municipal boundary but are not adjacent to one another, it may undertake simultaneous proceedings under authority of this Part for the annexation of such areas.

(h) Remedies for Failure to Provide Services. — If, not earlier than one year from the effective date of annexation, and not later than 15 months from the effective date of annexation, any person owning property in the annexed territory shall believe that the municipality has not followed through on its service plans adopted under the provisions of G.S. 160A-47(3) and 160A-49(e), such person may apply for a writ of mandamus under the provisions of Article 40, Chapter 1 of the General Statutes. Relief may be granted by the judge of superior court

(1) If the municipality has not provided the services set forth in its plan submitted under the provisions of G.S. 160A-47(3)a on substantially the same basis and in the same manner as such services were provided within the rest of the municipality prior to the effective date of annexation, and

(2) If at the time the writ is sought such services set forth in the plan submitted under the provisions of G.S. 160A-47(3)a are still being provided on substantially the same basis and in the same manner as on the date of annexation of the municipality.

Relief may also be granted by the judge of superior court

(1) If the plans submitted under the provisions of G.S. 160A-47(3)c require the construction of major trunk water mains and sewer outfall lines and

(2) If contracts for such construction have not yet been let.

If a writ is issued, costs in the action, including a reasonable attorney's fee for such aggrieved person, shall be charged to the municipality. (1959, c. 1009, s. 5; 1973, c. 426, s. 74; 1975, c. 576, s. 4.)

Editor's Note. — The 1975 amendment substituted the present second, third, fourth and fifth sentences of subsection (f) for the former second sentence, which read "The newly annexed territory shall be subject to municipal taxes levied for the fiscal year following the effective date of annexation."

Article 40, Chapter 1, referred to in the first sentence of subsection (h), was repealed by Session Laws 1967, c. 954, s. 4.

The extension by a city of sewer lines and other services into the annexed area, pursuant to the plan of annexation, is not a condition precedent to annexation, the statutory remedy for failure to extend such services being an application, by a person owning property in the annexed territory, for a writ of mandamus to compel such performance of the plan. Dale v. City of Morganton, 270 N.C. 567, 155 S.E.2d 136 (1967).

In reviewing the procedure followed by a municipal governing board in an annexation proceeding the question whether the municipality is then providing services pursuant to the plan of annexation is not before the court, and extension of services into an annexed area in accordance with the promulgated plan is not a condition precedent to annexation. In re Annexation Ordinance, 278 N.C. 641, 180 S.E.2d 851 (1971).

Application of Municipal Privilege License Taxes to Newly Annexed Territory. — See opinion of Attorney General to Mr. Edwin C. Ipock, Goldsboro City Attorney, 40 N.C.A.G. 863 (1970).

Quoted in Upchurch v. City of Raleigh, 252 N.C. 676, 114 S.E.2d 772 (1960).

§ 160A-50. Appeal. — (a) Within 30 days following the passage of an annexation ordinance under authority of this Part, any person owning property in the annexed territory who shall believe that he will suffer material injury by

reason of the failure of the municipal governing board to comply with the procedure set forth in this Part or to meet the requirements set forth in G.S. 160A-48 as they apply to his property may file a petition in the superior court of the county in which the municipality is located seeking review of the action of the governing board.

(b) Such petition shall explicitly state what exceptions are taken to the action of the governing board and what relief the petitioner seeks. Within five days after the petition is filed with the court, the person seeking review shall serve copies of the petition by registered mail, return receipt requested, upon the municipality.

(c) Within 15 days after receipt of the copy of the petition for review, or within such additional time as the court may allow, the municipality shall transmit to the reviewing court

(1) A transcript of the portions of the municipal journal or minute book in which the procedure for annexation has been set forth and

(2) A copy of the report setting forth the plans for extending services to the annexed area as required in G.S. 160A-47.

(d) If two or more petitions for review are submitted to the court, the court may consolidate all such petitions for review at a single hearing, and the municipality shall be required to submit only one set of minutes and one report as required in subsection (c).

(e) At any time before or during the review proceeding, any petitioner or petitioners may apply to the reviewing court for an order staying the operation of the annexation ordinance pending the outcome of the review. The court may grant or deny the stay in its discretion upon such terms as it deems proper, and it may permit annexation of any part of the area described in the ordinance concerning which no question for review has been raised.

(f) The court shall fix the date for review of annexation proceedings under this Part, which review date shall preferably be within 30 days following the last day for receiving petitions to the end that review shall be expeditious and without unnecessary delays. The review shall be conducted by the court without a jury. The court may hear oral arguments and receive written briefs, and may take evidence intended to show either

(1) That the statutory procedure was not followed, or

(2) That the provisions of G.S. 160A-47 were not met, or

(3) That the provisions of G.S. 160A-48 have not been met.

(g) The court may affirm the action of the governing board without change, or it may

(1) Remand the ordinance to the municipal governing board for further proceedings if procedural irregularities are found to have materially prejudiced the substantive rights of any of the petitioners.

(2) Remand the ordinance to the municipal governing board for amendment of the boundaries to conform to the provisions of G.S. 160A-48 if it finds that the provisions of G.S. 160A-48 have not been met; provided, that the court cannot remand the ordinance to the municipal governing board with directions to add area to the municipality which was not included in the notice of public hearing and not provided for in plans for service.

(3) Remand the report to the municipal governing board for amendment of the plans for providing services to the end that the provisions of G.S. 160A-47 are satisfied.

If any municipality shall fail to take action in accordance with the court's instructions upon remand within three months from receipt of such instructions, the annexation proceeding shall be deemed null and void.

(h) Any party to the review proceedings, including the municipality, may appeal to the Supreme Court from the final judgment of the superior court under

rules of procedure applicable in other civil cases. The appealing party may apply to the superior court for a stay in its final determination, or a stay of the annexation ordinance, whichever shall be appropriate, pending the outcome of the appeal to the Supreme Court; provided, that the superior court may, with the agreement of the municipality, permit annexation to be effective with respect to any part of the area concerning which no appeal is being made and which can be incorporated into the city without regard to any part of the area concerning which an appeal is being made.

(i) If part or all of the area annexed under the terms of an annexation ordinance is the subject of an appeal to the superior or Supreme Court on the effective date of the ordinance, then the ordinance shall be deemed amended to make the effective date with respect to such area the date of the final judgment of the superior or Supreme Court, whichever is appropriate, or the date the municipal governing board completes action to make the ordinance conform to the court's instructions in the event of remand. (1959, c. 1009, s. 6; 1973, c. 426, s. 74.)

This section specifies the inquiries to which the courts are limited. In re Annexation Ordinance, 284 N.C. 442, 202 S.E.2d 143 (1974).

Subsection (f) Not Superseded by Rules of Civil Procedure. — The provisions of subsection (f) authorizing review of annexation proceedings by the court without a jury have not been superseded by the North Carolina Rules of Civil Procedure. In re Annexation Ordinance, 284 N.C. 442, 202 S.E.2d 143 (1974).

Record Must Show Prima Facie Compliance. — Upon review in the superior court of a municipal annexation ordinance enacted pursuant to this Article, the record of the proceedings, including the report and annexation ordinance, must show prima facie complete and substantial compliance with this Article as a condition precedent to the right of the municipality to annex the territory. In re Annexation Ordinance, 255 N.C. 633, 122 S.E.2d 690 (1961).

Which Puts Burden on Petitioners to Prove Prejudicial Irregularity. — Where an appeal is taken from an annexation ordinance and a petition has been filed requesting review of the annexation proceedings, and the proceedings show prima facie that there has been substantial compliance with the requirements and provisions of this Article, the burden is upon petitioners to show by competent evidence failure on the part of the municipality to comply with the statutory requirements as a matter of fact, or irregularity in proceedings which materially prejudice the substantive rights of petitioners. In re Annexation Ordinance, 255 N.C. 633, 122 S.E.2d 690 (1961).

The burden is upon plaintiffs, who appealed from the annexation ordinance, to show by competent evidence that city in fact failed to meet the statutory requirements or that there was irregularity in the proceedings which materially prejudiced their substantive rights. In re Annexation Ordinance, 278 N.C. 641, 180 S.E.2d 851 (1971).

Slight irregularities will not invalidate annexation proceedings if there has been substantial compliance with all essential provisions of the law. In re Annexation Ordinance, 278 N.C. 641, 180 S.E.2d 851 (1971).

Absolute and literal compliance with a statute enacted describing the conditions of annexation is unnecessary; substantial compliance only is required, because absolute and literal compliance with the statute would result in defeating the purpose of the statute in situations where no one has been or could be misled. In re Annexation Ordinance, 278 N.C. 641, 180 S.E.2d 851 (1971).

Adverse Effect upon Financial Interests Is Not Grounds for Attacking Annexation Proceedings. — A property owner can attack annexation proceedings only upon the grounds specified in the statutes and he cannot successfully resist annexation because a city ordinance will adversely affect his financial interest. In re Annexation Ordinance, 278 N.C. 641, 180 S.E.2d 851 (1971).

§ 160A-51. Annexation recorded. — Whenever the limits of a municipality are enlarged in accordance with the provisions of this Part, it shall be the duty of the mayor of the municipality to cause an accurate map of such annexed territory, together with a copy of the ordinance duly certified, to be recorded in the office of the register of deeds of the county or counties in which such territory is situated and in the office of the Secretary of State. (1959, c. 1009, s. 7; 1973, c. 426, s. 74.)

Requirements That Map and Ordinance Be Recorded Is Not Condition Precedent to Annexation. — The requirement in this section that a map of the annexed territory, together with a certified copy of the ordinance, be recorded in the office of the register of deeds and in the office of the Secretary of State is, obviously, not a condition precedent to the effective annexation of the territory but the imposition of a duty to be performed after the annexation is complete. Dale v. City of Morganton, 270 N.C. 567, 155 S.E.2d 136 (1967).

§ 160A-52. Authorized expenditures. — Municipalities initiating annexations under the provisions of this Part are authorized to make expenditures for surveys required to describe the property under consideration or for any other purpose necessary to plan for the study and/or annexation of unincorporated territory adjacent to the municipality. In addition, following final passage of the annexation ordinance, the annexing municipality shall have authority to proceed with expenditures for construction of water and sewer lines and other capital facilities and for any other purpose calculated to bring services into the annexed area in a more effective and expeditious manner prior to the effective date of annexation. (1959, c. 1009, s. 8; 1973, c. 426, s. 74.)

§ 160A-53. Definitions. — The following terms where used in this Part shall have the following meanings, except where the context clearly indicates a different meaning:

(1) "Contiguous area" shall mean any area which, at the time annexation procedures are initiated, either abuts directly on the municipal boundary or is separated from the municipal boundary by a street or street right-of-way, a creek or river, the right-of-way of a railroad or other public service corporation, lands owned by the city or some other political subdivision, or lands owned by the State of North Carolina.

(2) "Used for residential purposes" shall mean any lot or tract five acres or less in size on which is constructed a habitable dwelling unit. (1959, c. 1009, s. 9; 1973, c. 426, s. 74.)

§ 160A-54. Population and land estimates. — In determining population and degree of land subdivision for purposes of meeting the requirements of G.S. 160A-48, the municipality shall use methods calculated to provide reasonably accurate results. In determining whether the standards set forth in G.S. 160A-48 have been met on appeal to the superior court under G.S. 160A-50, the reviewing court shall accept the estimates of the municipality:

(1) As to population, if the estimate is based on the number of dwelling units in the area multiplied by the average family size in such area, or in the township or townships of which such area is a part, as determined by the last preceding federal decennial census; or if it is based on a new enumeration carried out under reasonable rules and regulations by the annexing municipality; provided, that the court shall not accept such estimates if the petitioners demonstrate that such estimates are in error in the amount of ten percent (10%) or more.

(2) As to total area if the estimate is based on an actual survey, or on county tax maps or records, or on aerial photographs, or on some other reasonably reliable map used for official purposes by a governmental agency, unless the petitioners on appeal demonstrate that such estimates are in error in the amount of five percent (5%) or more.

(3) As to degree of land subdivision, if the estimates are based on an actual survey, or on county tax maps or records, or on aerial photographs, or on some other reasonably reliable source, unless the petitioners on appeal show that such estimates are in error in the amount of five percent (5%) or more. (1959, c. 1009, s. 10; 1973, c. 426, s. 74.)

§ 160A-55. Effect of Part on other laws. — From and after July 1, 1959, this Part shall be in full force and effect with respect to all municipalities having

a population of 5,000 or more persons according to the last preceding federal decennial census. The provisions of Part 1 of Article 36 of Chapter 160 [Part 1 of Article 4A of Chapter 160A] of the General Statutes of North Carolina shall remain in full force and effect with respect to such municipalities as an alternative procedure until June 30, 1962. From and after July 1, 1962, all the provisions of Part 1 of Article 36 of Chapter 160 of the General Statutes of North Carolina, with the exception of G.S. 160-452 [G.S. 160A-31] as it exists at the time of the passage of this Part or as it may be amended at this session of the General Assembly, shall be repealed. Insofar as the provisions of this Part are inconsistent with the provisions of any other law, the provisions of this Part shall be controlling. (1959, c. 1009, s. 11; 1961, c. 655, s. 2; 1967, c. 1226, s. 3; 1973, c. 426, s. 74.)

Authorities Granted by Part 2 in Full Force on and after July 1, 1959. — Although chapter 1009 of the Session Laws of 1959 provided that the laws theretofore governing the annexation of territory by municipalities should remain in force to July 1, 1962, the authorities granted to municipalities by the 1959 act were and have been in full force on and after July 1, 1959. Dale v. City of Morganton, 270 N.C. 567, 155 S.E.2d 136 (1967).

§ 160A-56. Counties excepted from Part; Part 1 continued for such counties. — The provisions of this Part shall not apply to the following counties: Columbus, Halifax, Pender and Perquimans. No territory located in Brunswick County may be annexed under the provisions of this Part.

Notwithstanding any other provisions of this Part, Part 1 of Article 36 of Chapter 160 [Part 1 of Article 4A of Chapter 160A] of the General Statutes of North Carolina and specifically G.S. 160A-31, as the same may be rewritten or amended, shall remain in full force and effect as to the counties herein named. (1959, c. 1009, s. 12; 1961, cc. 468, 787; 1963, c. 728; 1967, c. 156, s. 2; 1969, c. 438, s. 2; c. 1058, s. 1; c. 1232; 1973, c. 426, s. 74; 1975, c. 290, s. 2.)

Editor's Note. — The 1975 amendment added the last sentence of the first paragraph.

Session Laws 1973, c. 983, provides that all municipalities in Dare County are authorized to extend their corporate limits by any procedure contained in Part 1, Part 2 or Part 3 of this Article.

Session Laws 1975, c. 290, s. 3, provides that territory in Brunswick County may be annexed pursuant to the provisions of Chapter 160A, Article 4A, Part 1.

§ 160A-57: Reserved for future codification purposes.

Part 4. Annexation of Noncontiguous Areas.

§ 160A-58. Definitions. — The words and phrases defined in this section have the meanings indicated when used in this Part unless the context clearly requires another meaning:

(1) "City" means any city, town, or village without regard to population, except cities not qualified to receive gasoline tax allocations under G.S. 136-41.2.

(2) "Primary corporate limits" means the corporate limits of a city as defined in its charter, enlarged or diminished by subsequent annexations or exclusions of contiguous territory pursuant to Parts 1, 2, and 3 of this Article or local acts of the General Assembly.

(3) "Satellite corporate limits" means the corporate limits of a noncontiguous area annexed pursuant to this Part or a local act authorizing or effecting noncontiguous annexations. (1973, c. 1173, s. 2.)

§ 160A-58.1. Petition for annexation; standards. — (a) Upon receipt of a valid petition signed by all of the owners of real property in the area described therein, a city may annex an area not contiguous to its primary corporate limits when the area meets the standards set out in subsection (b) of this section. The petition need not be signed by the owners of real property that is wholly exempt from property taxation under the Constitution and laws of North Carolina, nor by railroad companies, public utilities as defined in G.S. 62-3(23), or electric or telephone membership corporations.

(b) A noncontiguous area proposed for annexation must meet all of the following standards:

(1) The nearest point on the proposed satellite corporate limits must be not more than three miles from the primary corporate limits of the annexing city.

(2) No point on the proposed satellite corporate limits may be closer to the primary corporate limits of another city than to the primary corporate limits of the annexing city.

(3) The area must be so situated that the annexing city will be able to provide the same services within the proposed satellite corporate limits that it provides within its primary corporate limits.

(4) If the area proposed for annexation, or any portion thereof, is a subdivision as defined in G.S. 160A-376, all of the subdivision must be included.

(5) The area within the proposed satellite corporate limits, when added to the area within all other satellite corporate limits, may not exceed ten percent (10%) of the area within the primary corporate limits of the annexing city.

(c) The petition shall contain the names, addresses, and signatures of all owners of real property within the proposed satellite corporate limits (except owners not required to sign by subsection (a)), shall describe the area proposed for annexation by metes and bounds, and shall have attached thereto a map showing the area proposed for annexation with relation to the primary corporate limits of the annexing city. When there is any substantial question as to whether the area may be closer to another city than to the annexing city, the map shall also show the area proposed for annexation with relation to the primary corporate limits of the other city. The city council may prescribe the form of the petition. (1973, c. 1173, s. 2.)

§ 160A-58.2. Public hearing. — Upon receipt of a petition for annexation under this Part, the city council shall cause the city clerk to investigate the petition, and to certify the results of his investigation. If the clerk certifies that upon investigation the petition appears to be valid, the council shall fix a date for a public hearing on the annexation. Notice of the hearing shall be published once at least 10 days before the date of hearing.

At the hearing, any person residing in or owning property in the area proposed for annexation and any resident of the annexing city may appear and be heard on the questions of the sufficiency of the petition and the desirability of the annexation. If the council then finds and determines that (i) the area described in the petition meets all of the standards set out in G.S. 160A-58.1(b), (ii) the petition bears the signatures of all of the owners of real property within the area proposed for annexation (except those not required to sign by G.S. 160A-58.1(a)), (iii) the petition is otherwise valid, and (iv) the public health, safety and welfare of the inhabitants of the city and of the area proposed for annexation will be best served by the annexation, the council may adopt an ordinance annexing the area described in the petition. The ordinance may be made effective immediately or on any specified date within six months from the date of passage. (1973, c. 1173, s. 2.)

§ 160A-58.3. Annexed area subject to city taxes and debts. — From and after the effective date of the annexation ordinance, the annexed area and its citizens and property are subject to all debts, laws, ordinances and regulations of the annexing city, and are entitled to the same privileges and benefits as other parts of the city. If territory is annexed its liability for municipal taxes for the fiscal year in which it is annexed shall be determined by applying the following ratio against the total taxes that would be due on the property if it had been annexed prior to the beginning of the fiscal year: The numerator shall be the number 365 minus the total number of days after the preceding July 1 and immediately prior to the effective date of the annexation, and the denominator shall be the number 365. However, the due date of such municipal taxes shall be the effective date of annexation of said territory and the taxes may be paid at par or face amount at any time before the one hundred and twentieth day after the due date. On or after the one hundred and twentieth day and before the one hundred and fiftieth day from the due date there shall be added to the taxes interest at the rate of two percent (2%). On or after the one hundred and fiftieth day from the due date, there shall be added to the taxes, in addition to the two percent (2%) provided above, interest at the rate of three fourths of one percent (¾ of 1%) per 30 days or fraction thereof until the taxes plus interest have been paid. If the effective date of annexation falls between January 1 and June 30, the city shall, for purposes of levying taxes for the fiscal year beginning July 1 following the date of annexation, obtain from the county a record of property in the area being annexed which was listed for taxation as of January 1. If the effective date of annexation falls between June 1 and June 30, and the privilege licenses of the annexing city are due on June 1, then businesses in the annexed area are liable for privilege license taxes at the full-year rate. (1973, c. 1173, s. 2; 1975, c. 576, s. 5.)

Editor's Note. — The 1975 amendment substituted the present second, third, fourth and fifth sentences for the former second sentence, which read "The newly annexed area is subject to city taxes levied for the fiscal year following the date of annexation."

§ 160A-58.4. Extraterritorial powers. — Satellite corporate limits shall not be considered a part of the city's corporate limits for the purposes of extraterritorial land-use regulation pursuant to G.S. 160A-360, or abatement of public health nuisances pursuant to G.S. 160A-193. However, a city's power to regulate land use pursuant to Chapter 160A, Article 19, or to abate public health nuisances pursuant to G.S. 160A-193, shall be the same within satellite corporate limits as within its primary corporate limits. (1973, c. 1173, s. 2.)

§ 160A-58.5. Special rates for water, sewer and other enterprises. — For the purposes of G.S. 160A-314, provision of public enterprise services within satellite corporate limits shall be considered provision of service for special classes of service distinct from the classes of service provided within the primary corporate limits of the city, and the city may fix and enforce schedules of rents, rates, fees, charges and penalties in excess of those fixed and enforced within the primary corporate limits. A city providing enterprise services within satellite corporate limits shall annually review the cost thereof, and shall take such steps as may be necessary to insure that the current operating costs of such services, excluding debt service on bonds issued to finance services within satellite corporate limits, does not exceed revenues realized therefrom. (1973, c. 1173, s. 2.)

§ 160A-58.6. Transition from satellite to primary corporate limits. — An area annexed pursuant to this Part ceases to constitute satellite corporate limits

and becomes a part of the primary corporate limits of a city when, through annexation of intervening territory, the two boundaries touch. (1973, c. 1173, s. 2.)

ARTICLE 5.

Form of Government.

Part 1. General Provisions.

§ 160A-59. Qualifications for elective office. — All city officers elected by the people shall possess the qualifications set out in Article VI of the Constitution. In addition, when the city is divided into electoral districts for the purpose of electing members of the council, council members shall reside in the district they represent. When any elected city officer ceases to meet all of the qualifications for holding office pursuant to the Constitution, or when a council member ceases to reside in an electoral district that he was elected to represent, the office is ipso facto vacant. (1973, c. 609.)

§ 160A-60. Qualifications for appointive office. — Residence within a city shall not be a qualification for or prerequisite to appointment to any city office not filled by election of the people, unless the charter or an ordinance provides otherwise. City councils shall have authority to fix qualifications for appointive offices, but shall have no authority to waive qualifications for appointive offices fixed by charters or general laws. (1870-1, c. 24, s. 3; Code, s. 3796; Rev., s. 2941; C. S., s. 2646; 1951, c. 24; 1969, c. 134, s. 1; 1971, c. 698, s. 1.)

Editor's Note. — The cases cited in the following note were decided under former similar provisions.

Section Does Not Deal with Character of Office. — Former § 160-25 dealt merely with the qualification of the appointee and not with the character of the office. State v. Hord, 264 N.C. 149, 141 S.E.2d 241 (1965).

Vacating Office for Preexisting Impediment. — While there can be no serious doubt of the right of a corporate body to vacate the seat of a corporate officer for adequate causes arising subsequent to taking his seat, there has been no precedent for depriving a member of his place by the action of a municipal body of which he is a member for any preexisting impediment affecting his capacity to hold the office. Ellison v. Aldermen of Raleigh, 89 N.C. 125 (1883).

City Charter Prescribing Qualifications of Firemen Not Repealed. — Former §§ 160-25 and 160-115.1 did not repeal the provisions of a city's charter prescribing the qualifications of its firemen. Bland v. City of Wilmington, 278 N.C. 657, 180 S.E.2d 813 (1971).

Right to Declaratory Judgment Construing Section. — When the rights of parties are affected by provisions similar to this section and other statutes, to the end that they may be relieved "from uncertainty and insecurity," such parties are entitled to have the applicable statutes construed and their rights declared, and a real controversy exists between the parties. Bland v. City of Wilmington, 278 N.C. 657, 180 S.E.2d 813 (1971).

§ 160A-61. Oath of office. — Every person elected by the people or appointed to any city office shall, before entering upon the duties of the office, take and subscribe the oath of office prescribed in Article VI, § 7 of the Constitution. Oaths of office shall be administered by some person authorized by law to administer oaths, and shall be filed with the city clerk. (R. C., c. 111, s. 12; Code, s. 3799; Rev., s. 2920; C. S., s. 2628; 1971, c. 698, s. 1.)

§ 160A-62. Officers to hold over until successors qualified. — All city officers, whether elected or appointed, shall continue to hold office until their successors are chosen and qualified. This section shall not apply when an office or position has been abolished, when an appointed officer or employee has been discharged, or when an elected officer has been removed from office. (R. C., c. 111, s. 8; Code, s. 3792; Rev., s. 2943; C. S., s. 2648; 1971, c. 698, s. 1.)

§ 160A-63. Vacancies. — All vacancies that occur in any elective office of a city shall be filled by appointment of the city council for the remainder of the unexpired term. If the number of vacancies on the council is such that a quorum of the council cannot be obtained, the mayor shall appoint enough members to make up a quorum, and the council shall then proceed to fill the remaining vacancies. If the number of vacancies on the council is such that a quorum of the council cannot be obtained and the office of mayor is vacant, the Governor may fill the vacancies upon the request of any remaining member of the council, or upon the petition of any five registered voters of the city. Vacancies in appointive offices shall be filled by the same authority that makes the initial appointment. This section shall not apply to vacancies in cities that have not held a city election, levied any taxes, or engaged in any municipal functions for a period of five years or more.

In cities whose elections are conducted on a partisan basis, a person appointed to fill a vacancy in an elective office shall be a member of the same political party as the person whom he replaces if that person was elected as the nominee of a political party. (R. C., c. 111, ss. 9, 10; Code, ss. 3793, 3794; Rev., ss. 2921, 2931; C. S., ss. 2629, 2631; 1971, c. 698, s. 1; 1973, c. 426, s. 11.)

§ 160A-64. Compensation of mayor and council. — (a) The council may fix its own compensation and the compensation of the mayor and any other elected officers of the city by publication in and adoption of the annual budget ordinance, but the salary of an elected officer other than a member of the council may not be reduced during the then-current term of office unless he agrees thereto. The mayor, councilmen, and other elected officers are entitled to reimbursement for actual expenses incurred in the course of performing their official duties at rates not in excess of those allowed to other city officers and employees, or to a fixed allowance, the amount of which shall be established by the council, for travel and other personal expenses of office; provided, any fixed allowance so established during a term of office shall not be increased during such term of office.

(b) All charter provisions in effect as of January 1, 1972, fixing the compensation or allowances of any city officer or employee are repealed, but persons holding office or employment on January 1, 1972, shall continue to receive the compensation and allowances then prescribed by law until the council provides otherwise in accordance with this section or G.S. 160A-162. (1969, c. 181, s. 1; 1971, c. 698, s. 1; 1973, c. 426, s. 12; c. 1145.)

§ 160A-65: Repealed by Session Laws 1975, c. 514, s. 17.

Part 2. Mayor and Council.

§ 160A-66. Composition of council. — Unless otherwise provided by its charter, each city shall be governed by a mayor and a council of three members, who shall be elected from the city at large for terms of two years. (1971, c. 698, s. 1.)

§ 160A-67. General powers of mayor and council. — Except as otherwise provided by law, the government and general management of the city shall be vested in the council. The powers and duties of the mayor shall be such as are conferred upon him by law, together with such other powers and duties as may be conferred upon him by the council pursuant to law. The mayor shall be recognized as the official head of the city for the purpose of service of civil process, and for all ceremonial purposes. (1971, c. 698, s. 1.)

Part 3. Organization and Procedures of the Council.

§ 160A-68. Organizational meeting of council. — The organizational meeting of the council shall be held on the date and at the time of the first regular meeting in December after the results of the election have been certified pursuant to Subchapter IX of Chapter 163 of the General Statutes. At the organizational meeting, the newly elected mayor and councilmen shall qualify by taking the oath of office prescribed in Article VI, Sec. 7 of the Constitution. The organization of the council shall take place notwithstanding the absence, death, refusal to serve, failure to qualify, or nonelection of one or more members, but at least a quorum of the members must be present. (1971, c. 698, s. 1; 1973, c. 426, s. 13; c. 607.)

§ 160A-69. Mayor to preside over council. — The mayor shall preside at all council meetings, but shall have the right to vote only when there are equal numbers of votes in the affirmative and in the negative. (1971, c. 698, s. 1.)

Mayor's Power to Vote. — Ordinarily, the office of mayor is of an executive or administrative character, and he is not permitted to vote except in cases where it is especially provided. Markham v. Simpson, 175 N.C. 135, 95 S.E. 106 (1918) (decided prior to enactment of this section).

§ 160A-70. Mayor pro tempore; disability of mayor. — At the organizational meeting, the council shall elect from among its members a mayor pro tempore to serve at the pleasure of the council. A councilman serving as mayor pro tempore shall be entitled to vote on all matters and shall be considered a councilman for all purposes, including the determination of whether a quorum is present. During the absence of the mayor, the council may confer upon the mayor pro tempore any of the powers and duties of the mayor. If the mayor should become physically or mentally incapable of performing the duties of his office, the council may by unanimous vote declare that he is incapacitated and confer any of his powers and duties on the mayor pro tempore. Upon the mayor's declaration that he is no longer incapacitated, and with the concurrence of a majority of the council, the mayor shall resume the exercise of his powers and duties. (1971, c. 698, s. 1.)

§ 160A-71. Regular and special meetings; procedure. — (a) The council shall fix the time and place for its regular meetings. If no action has been taken fixing the time and place for regular meetings, a regular meeting shall be held at least once a month at 10:00 A.M. on the first Monday of the month.

(b) The mayor, the mayor pro tempore, or any two members of the council may at any time call a special council meeting by signing a written notice stating the time and place of the meeting and the subjects to be considered. The notice shall be delivered to the mayor and each councilman or left at his usual dwelling place at least six hours before the meeting. Special meetings may be held at any time when the mayor and all members of the council are present and consent thereto, or when those not present have signed a written waiver of notice. Only those items of business specified in the notice may be transacted at a special meeting, unless all members are present or have signed a written waiver of notice.

(c) The council may adopt its own rules of procedure, not inconsistent with the city charter, general law, or generally accepted principles of parliamentary procedure. (1917, c. 136, subch. 13, s. 1; C. S., s. 2822; 1971, c. 698, s. 1; 1973, c. 426, s. 14.)

§ 160A-72. Minutes to be kept; ayes and noes. — Full and accurate minutes of the council proceedings shall be kept, and shall be open to the inspection of the public. The results of each vote shall be recorded in the minutes, and upon

the request of any member of the council, the ayes and noes upon any question shall be taken. (1917, c. 136, subch. 13, s. 1; C. S., s. 2822; 1971, c. 698, s. 1; 1973, c. 426, s. 15.)

The requirement that a full and accurate journal of the proceedings be kept is merely directory and not a condition precedent to the validity of a contract regularly entered into by the municipality. Town of Graham v. Karpark Corp., 194 F.2d 616 (4th Cir. 1952) (decided under former § 160-269).

§ 160A-73: Repealed by Session Laws 1971, c. 896, s. 16.

Editor's Note. — The repealed section had been enacted by Session Laws 1971, c. 698, s. 1, and required public legislative sessions of the council and that the results of each vote be recorded in the minutes.

§ 160A-74. Quorum. — A majority of the actual membership of the council, excluding vacant seats, shall constitute a quorum. A member who has withdrawn from a meeting without being excused by majority vote of the remaining members present shall be counted as present for purposes of determining whether or not a quorum is present. (1917, c. 136, subch. 13, s. 1; C. S., s. 2821; 1971, c. 698, s. 1; 1975, c. 664, s. 5.)

Editor's Note. — The 1975 amendment substituted the present first sentence for the former first two sentences, which read "A majority of the membership of the council shall constitute a quorum. The number required for a quorum shall not be affected by vacancies."

§ 160A-75. Voting. — No member shall be excused from voting except upon matters involving the consideration of his own financial interest or official conduct. In all other cases, a failure to vote by a member who is physically present in the council chamber, or who has withdrawn without being excused by a majority vote of the remaining members present, shall be recorded as an affirmative vote. The question of the compensation and allowances of members of the council is not a matter involving a member's own financial interest or official conduct.

An affirmative vote equal to a majority of all the members of the council not excused from voting on the question in issue (including the mayor's vote in case of an equal division) shall be required to adopt an ordinance, take any action having the effect of an ordinance, authorize or commit the expenditure of public funds, or make, ratify, or authorize any contract on behalf of the city. In addition, no ordinance nor any action having the effect of any ordinance may be finally adopted on the date on which it is introduced except by an affirmative vote equal to or greater than two thirds of all the members of the council (not including the mayor unless he has the right to vote on all questions before the council). (1917, c. 136, subch. 13, s. 1; C. S., s. 2821; 1971, c. 698, s. 1; 1973, c. 426, s. 16.)

§ 160A-76. Franchises; technical ordinances. — (a) No ordinance making a grant, renewal, extension, or amendment of any franchise shall be finally adopted until it has been passed at two regular meetings of the council, and no such grant, renewal, extension, or amendment shall be made otherwise than by ordinance.

(b) Any published technical code or any standards or regulations promulgated by any public agency may be adopted in an ordinance by reference subject to G.S. 143-138(e). A technical code or set of standards or regulations adopted by reference in a city ordinance shall have the force of law within the city. Official copies of all technical codes, standards, and regulations adopted by reference

shall be maintained for public inspection in the office of the city clerk. (1917, c. 136, subch. 13; C. S., s. 2823; 1963, c. 790; 1971, c. 698, s. 1; 1973, c. 426, s. 17.)

§ 160A-77. Code of ordinances. — (a) Not later than July 1, 1974, each city having a population of 5,000 or more shall adopt and issue a code of its ordinances. The code may be reproduced by any method that gives legible and permanent copies, and may be issued as a securely bound book or books with periodic separately bound supplements, or as a loose-leaf book maintained by replacement pages. Supplements or replacement pages should be adopted and issued annually at least, unless no additions to or modifications of the code have been adopted by the council during the year. The code may consist of two separate parts, the "General Ordinances" and the "Technical Ordinances." The technical ordinances may be published as separate books or pamphlets, and may include ordinances regarding the construction of buildings, the installation of plumbing and electric wiring, the installation of cooling and heating equipment, the use of public utilities, buildings, or facilities operated by the city, the zoning ordinance, the subdivision control ordinance, the privilege license tax ordinance, and other similar technical ordinances designated as such by the council. The council may omit from the code designated classes of ordinances of limited interest or transitory nature, but the code should clearly describe the classes of ordinances omitted therefrom.

(b) The council may provide that one or more of the following classes of ordinances shall be codified by appropriate entries upon official map books to be retained permanently in the office of the city clerk or some other city office generally accessible to the public:

(1) Establishing or amending the boundaries of zoning districts;
(2) Designating the location of traffic control devices;
(3) Designating areas or zones where regulations are applied to parking, loading, bus stops, or taxicab stands;
(4) Establishing speed limits;
(5) Designating the location of through streets, stop intersections, yield-right-of-way intersections, waiting lanes, one-way streets, or truck traffic routes; and
(6) Establishing regulations upon vehicle turns at designated locations.

(c) It is the intent of this section to make uniform the law concerning the adoption of city codes. To this end, all charter provisions in conflict with this section in effect as of January 1, 1972, are expressly repealed, except to the extent that the charter makes adoption of a code mandatory, and no local act taking effect on or after January 1, 1972, shall be construed to repeal or amend this section in whole or in part unless it shall expressly so provide by specific reference. (1971, c. 698, s. 1.)

Local Modification. — City of Williamston: 1975, c. 420.

§ 160A-78. Ordinance book. — Effective January 1, 1972, each city shall file a true copy of each ordinance adopted on or after January 1, 1972, in an ordinance book separate and apart from the council's minute book. The ordinance book shall be appropriately indexed and maintained for public inspection in the office of the city clerk. Effective July 1, 1973, true copies of all ordinances that were adopted before January 1, 1972, and are still in effect shall be filed and indexed in the ordinance book. If the city has adopted and issued a code of ordinances in compliance with G.S. 160A-77, its ordinances shall be filed and indexed in the ordinance book until they are codified. (1971, c. 698, s. 1.)

Stated in Lewis v. White, 287 N.C. 625, 216 S.E.2d 134 (1975).

§ 160A-79. Pleading and proving city ordinances. — (a) In all civil and criminal cases a city ordinance that has been codified in a code of ordinances adopted and issued in compliance with G.S. 160A-77 must be pleaded by both section number and caption. In all civil and criminal cases a city ordinance that has not been codified in a code of ordinances adopted and issued in compliance with G.S. 160A-77 must be pleaded by its caption. In both instances, it is not necessary to plead or allege the substance or effect of the ordinance unless the ordinance has no caption and has not been codified.

(b) Any of the following shall be admitted in evidence in all actions or proceedings before courts or administrative bodies and shall have the same force and effect as would an original ordinance:

(1) A city code adopted and issued in compliance with G.S. 160A-77, containing a statement that the code is published by order of the council.

(2) Copies of any part of an official map book maintained in accordance with G.S. 160A-77 and certified under seal by the city clerk as having been adopted by the council and maintained in accordance with its directions (the clerk's certificate need not be authenticated).

(3) A copy of an ordinance as set out in the minutes, code, or ordinance book of the council, certified under seal by the city clerk as a true copy (the clerk's certificate need not be authenticated).

(c) The burden of pleading and proving the existence of any modification or repeal of an ordinance, map, or code, a copy of which has been duly pleaded or admitted in evidence in accordance with this section, shall be upon the party asserting such modification or repeal. It shall be presumed that any portion of a city code that is admitted in evidence in accordance with this section has been codified in compliance with G.S. 160A-77, and the burden of pleading and proving to the contrary shall be upon the party seeking to obtain an advantage thereby.

(d) From and after the respective effective dates of G.S. 160A-77 and 160A-78, no city ordinance shall be enforced or admitted into evidence in any court unless it has been codified or filed and indexed in accordance with G.S. 160A-77 or 160A-78. It shall be presumed that an ordinance which has been properly pleaded and proved in accordance with this section has been codified or filed and indexed in accordance with G.S. 160A-77 or 160A-78, and the burden of pleading and proving to the contrary shall be upon the party seeking to obtain an advantage thereby.

(e) It is the intent of this section to make uniform the law concerning the pleading and proving of city ordinances. To this end, all charter provisions in conflict with this section in effect as of January 1, 1972, are expressly repealed, and no local act taking effect on or after January 1, 1972, shall be construed to repeal or amend this section in whole or in part unless it shall expressly so provide by specific reference. (1917, c. 136, subch. 13, s. 14; C. S., s. 2825; 1959, c. 631; 1971, c. 698, s. 1; 1973, c. 426, s. 18.)

Cross Reference. — As to application of this section to county ordinances, see § 153A-50.

Editor's Note. — The cases cited in the following note were decided under former § 160-272 or provisions similar thereto.

Warrant or Indictment Must Set Out or Plead Ordinance. — Criminal prosecution for violation of a municipal ordinance cannot be maintained if the warrant or indictment on which it is based does not set out the ordinance or plead it in a manner permitted by statute. State v. Wiggs, 269 N.C. 507, 153 S.E.2d 84 (1967); State v. W.N.C. Pallet & Forest Prod. Co., 283 N.C. 705, 198 S.E.2d 433 (1973).

Judicial Notice Not Taken of Ordinance. — Courts of general jurisdiction and the Supreme Court will not take judicial notice of a municipal ordinance. High Point Surplus Co. v. Pleasants, 263 N.C. 587, 139 S.E.2d 892, rev'd on other grounds, 264 N.C. 650, 142 S.E.2d 697 (1965).

Excerpt of Ordinance in Indictment May Be Construed with Entire Ordinance. — The courts, when called upon to construe an excerpt from an ordinance set out in a bill of indictment, may interpret the excerpt correctly by construing it with the rest of the ordinance, certainly when the entire ordinance is before the court by stipulation of the parties. High Point Surplus Co. v. Pleasants, 263 N.C. 587, 139 S.E.2d 892, rev'd on other grounds, 264 N.C. 650, 142 S.E.2d 697 (1965).

Nonsuit for Variance Allowed. — Where a warrant charging disorderly conduct does not contain any allegations, specific or general, to the effect that the prosecution was for the violation of a municipal ordinance, but the municipal ordinance is introduced in evidence and the trial proceeds as though defendant had been charged with the violation of the ordinance, nonsuit for variance must be allowed. State v. Wiggs, 269 N.C. 507, 153 S.E.2d 84 (1967).

Ordinance Properly Proved. — The introduction of an ordinance of a town regulating the speed of trains backing upon the track, and properly proven, will not be regarded as error on appeal, when it is proved that upon the evidence in the case the jury has found, upon a trial without legal error, the negligence of the defendant's employees proximately caused the personal injury for which damages were sought in the action. Parker v. Seaboard Air Line Ry., 181 N.C. 95, 106 S.E. 755 (1921).

§ 160A-80. Power of investigation; subpoena power. — (a) The council shall have power to investigate the affairs of the city, and for that purpose may subpoena witnesses, administer oaths, and compel the production of evidence.

(b) If a person fails or refuses to obey a subpoena issued pursuant to this section, the council may apply to the General Court of Justice for an order requiring that its order be obeyed, and the court shall have jurisdiction to issue these orders after notice to all proper parties. No testimony of any witness before the council pursuant to a subpoena issued in exercise of the power conferred by this section may be used against him on the trial of any civil or criminal action other than a prosecution for false swearing committed on the examination. If any person, while under oath at an investigation by the council, willfully swears falsely, he is guilty of a misdemeanor.

(c) This section shall not apply to cities having a population of less than 5,000. (1971, c. 698, s. 1.)

Radio and Television Coverage. — Though radio and television coverage may not be necessary to the conduct of investigative hearings by municipalities, it does not follow that it is unreasonable to permit such coverage; conversely, radio and television coverage is reasonably consistent with the concept of a fully informed public, a concept which is receiving ever increasing support as the public becomes more fully informed. Leak v. High Point City Council, 25 N.C. App. 394, 213 S.E.2d 386 (1975).

§ 160A-81. Conduct of public hearings. — Public hearings may be held at any place within the city or within the county in which the city is located. The council may adopt reasonable rules governing the conduct of public hearings, including but not limited to rules (i) fixing the maximum time allotted to each speaker, (ii) providing for the designation of spokesmen for groups of persons supporting or opposing the same positions, (iii) providing for the selection of delegates from groups of persons supporting or opposing the same positions when the number of persons wishing to attend the hearing exceeds the capacity of the hall, and (iv) providing for the maintenance of order and decorum in the conduct of the hearing.

The council may continue any public hearing without further advertisement. If a public hearing is set for a given date and a quorum of the council is not then present, the hearing shall be continued until the next regular council meeting without further advertisement. (1971, c. 698, s. 1.)

Radio and Television Coverage. — Though radio and television coverage may not be necessary to the conduct of investigative hearings by municipalities, it does not follow that it is unreasonable to permit such coverage; conversely, radio and television coverage is

reasonably consistent with the concept of a fully informed public, a concept which is receiving ever increasing support as the public becomes more fully informed. Leak v. High Point City Council, 25 N.C. App. 394, 213 S.E.2d 386 (1975).

§ 160A-82. Applicability of Part. — Nothing in this Part, except G.S. 160A-77, 160A-78 and 160A-79, shall be construed to repeal any portion of any city charter inconsistent with anything contained herein. (1971, c. 698, s. 1.)

§§ 160A-83 to 160A-100: Reserved for future codification purposes.

Part 4. Modification of Form of Government.

§ 160A-101. Optional forms. — Any city may change its name or alter its form of government by adopting any one or combination of the options prescribed by this section:

(1) Name of the corporation:

The name of the corporation may be changed to any name not deceptively similar to that of another city in this State.

(2) Style of the corporation:

The city may be styled a city, town, or village.

(3) Style of the governing board:

The governing board may be styled the board of commissioners, the board of aldermen, or the council.

(4) Terms of office of members of the council:

Members of the council shall serve terms of office of either two or four years. All of the terms need not be of the same length, and all of the terms need not expire in the same year.

(5) Number of members of the council:

The council shall consist of any number of members not less than three nor more than 12.

(6) Mode of election of the council:

a. All candidates shall be nominated and elected by all the qualified voters of the city.

b. The city shall be divided into single-member electoral districts; council members shall be apportioned to the districts so that each member represents the same number of persons as nearly as possible, except for members apportioned to the city at large, if any; the qualified voters of each district shall nominate and elect candidates who reside in the district for seats apportioned to that district; and all the qualified voters of the city shall nominate and elect candidates apportioned to the city at large, if any.

c. The city shall be divided into single-member electoral districts; council members shall be apportioned to the districts so that each member represents the same number of persons as nearly as possible, except for members apportioned to the city at large; and candidates shall reside in and represent the districts according to the apportionment plan adopted, but all candidates shall be nominated and elected by all the qualified voters of the city.

d. The city shall be divided into electoral districts equal in number to one half the number of council seats; the council seats shall be divided equally into "ward seats" and "at-large seats," one each of which shall be apportioned to each district, so that each council member represents the same number of persons as nearly as possible; the qualified voters of each district shall nominate and elect candidates to the "ward seats"; candidates for the "at-large seats" shall reside in and represent the districts according to the

apportionment plan adopted, but all candidates for "at-large" seats shall be nominated and elected by all the qualified voters of the city.

e. The city shall be divided into single-member electoral districts; council members shall be apportioned to the districts so that each member represents the same number of persons as nearly as possible, except for members apportioned to the city at large, if any; in a nonpartisan primary, the qualified voters of each district shall nominate two candidates who reside in the district, and the qualified voters of the entire city shall nominate two candidates for each seat apportioned to the city at large, if any; and all candidates shall be elected by all the qualified voters of the city.

If either of options b, c, d or e is adopted, the council shall divide the city into the requisite number of single-member electoral districts according to the apportionment plan adopted, and shall cause a map of the districts so laid out to be drawn up and filed as provided by G.S. 160A-22 and 160A-23. No more than one half of the council may be apportioned to the city at large. An initiative petition may specify the number of single-member electoral districts to be laid out, but the drawing of district boundaries and apportionment of members to the districts shall be done in all cases by the council.

(7) Elections:

a. Partisan. — Municipal primaries and elections shall be conducted on a partisan basis as provided in G.S. 163-291.

b. Nonpartisan Plurality. — Municipal elections shall be conducted as provided in G.S. 163-292.

c. Nonpartisan Election and Runoff Election. — Municipal elections and runoff elections shall be conducted as provided in G.S. 163-293.

d. Nonpartisan Primary and Election. — Municipal primaries and elections shall be conducted as provided in G.S. 163-294.

(8) Selection of mayor:

a. The mayor shall be elected by all the qualified voters of the city for a term of not less than two years nor more than four years.

b. The mayor shall be selected by the council from among its membership to serve at its pleasure.

Under option a, the mayor may be given the right to vote on all matters before the council, or he may be limited to voting only to break a tie. Under option b, the mayor has the right to vote on all matters before the council. In both cases the mayor has no right to break a tie vote in which he participated.

(9) Form of government:

a. The city shall operate under the mayor-council form of government in accordance with Part 3 of Article 7 of this Chapter.

b. The city shall operate under the council-manager form of government in accordance with Part 2 of Article 7 of this Chapter and any charter provisions not in conflict therewith. (1969, c. 629, s. 2; 1971, c. 698, s. 1; c. 1076, s. 1; 1973, c. 426, s. 19; c. 1001, ss. 1, 2; 1975, c. 19, s. 64; c. 664, s. 6.)

Editor's Note. — The first 1975 amendment corrected an error in the first 1973 amendatory act by inserting "single-member" preceding "electoral districts" throughout subdivision (6).

The second 1975 amendment added option e in subdivision (6) and substituted "b, c, d or e" for "b or c or d" near the beginning of the first sentence of the last paragraph of that subdivision.

Session Laws 1975, c. 664, s. 6(c) provides: "Nothing contained in this section shall be construed to alter any existing form of government of any municipality."

§ 160A-102. Amendment by ordinance. — By following the procedure set out in this section, the council may amend the city charter by ordinance to implement any of the optional forms set out in G.S. 160A-101. The council shall first adopt a resolution of intent to consider an ordinance amending the charter. The resolution of intent shall describe the proposed charter amendments briefly but completely and with reference to the pertinent provisions of G.S. 160A-101, but it need not contain the precise text of the charter amendments necessary to implement the proposed changes. At the same time that a resolution of intent is adopted, the council shall also call a public hearing on the proposed charter amendments, the date of the hearing to be not more than 45 days after adoption of the resolution. A notice of the hearing shall be published at least once not less than 10 days prior to the date fixed for the public hearing, and shall contain a summary of the proposed amendments. Following the public hearing, but not earlier than the next regular meeting of the council and not later than 60 days from the date of the hearing, the council may adopt an ordinance amending the charter to implement the amendments proposed in the resolution of intent.

The council may, but shall not be required to unless a referendum petition is received pursuant to G.S. 160A-103, make any ordinance adopted pursuant to this section effective only if approved by a vote of the people, and may by resolution adopted at the same time call a special election for the purpose of submitting the ordinance to a vote. The date fixed for the special election shall be not more than 90 days after adoption of the ordinance.

Within 10 days after an ordinance is adopted under this section, the council shall publish a notice stating that an ordinance amending the charter has been adopted and summarizing its contents and effect. If the ordinance is made effective subject to a vote of the people, the council shall publish a notice of the election not less than 30 days before the last day on which voters may register to vote in the special election, and need not publish a separate notice of adoption of the ordinance.

The council may not commence proceedings under this section between the time of the filing of a valid initiative petition pursuant to G.S. 160A-104 and the date of any election called pursuant to such petition. (1969, c. 629, s. 2; 1971, c. 698, s. 1; 1973, c. 426, s. 20.)

§ 160A-103. Referendum on charter amendments by ordinance. — An ordinance adopted under G.S. 160A-102 that is not made effective upon approval by a vote of the people shall be subject to a referendum petition. Upon receipt of a referendum petition bearing the signatures of a number of qualified voters of the city equal to at least 10 percent of the whole number of voters who are registered to vote in city elections according to the most recent figures certified by the State Board of Elections or 5,000, whichever is less, the council shall submit an ordinance adopted under G.S. 160A-102 to a vote of the people. The date of the special election shall be fixed at not more than 120 nor fewer than 60 days after receipt of the petition. A referendum petition shall be addressed to the council and shall identify the ordinance to be submitted to a vote. A referendum petition must be filed with the city clerk not later than 30 days after publication of the ordinance following its adoption. (1969, c. 629, s. 2; 1971, c. 698, s. 1.)

§ 160A-104. Initiative petitions for charter amendments. — The people may initiate a referendum on proposed charter amendments. An initiative petition shall bear the signatures of a number of qualified voters of the city equal to at least ten percent (10%) of the whole number of voters who are registered to vote in city elections according to the most recent figures certified by the State Board of Elections or 5,000, whichever is less. The petition shall set forth the proposed amendments by describing them briefly but completely and with reference to the pertinent provisions of G.S. 160A-101, but it need not contain

the precise text of the charter amendments necessary to implement the proposed changes. The petition may not propose changes in the alternative, or more than one integrated set of charter amendments. Upon receipt of a valid initiative petition, the council shall call a special election on the question of adopting the charter amendments proposed therein, and shall give public notice thereof not less than 30 days before the last day on which voters may register to vote in the special election. The date of the special election shall be fixed at not more than 120 nor fewer than 60 days after receipt of the petition. If a majority of the votes cast in the special election shall be in favor of the proposed changes, the council shall adopt an ordinance amending the charter to put them into effect. Such an ordinance shall not be subject to a referendum petition. No initiative petition may be filed (i) between the time the council initiates proceedings under G.S. 160A-102 by publishing a notice of hearing on proposed charter amendments and the time proceedings under that section have been carried to a conclusion either through adoption or rejection of a proposed ordinance or lapse of time, nor (ii) within one year and six months following the effective date of an ordinance amending the city charter pursuant to this Article, nor (iii) within one year and six months following the date of any election on charter amendments that were defeated by the voters.

The restrictions imposed by this section on filing initiative petitions shall apply only to petitions concerning the same subject matter. For example, pendency of council action on amendments concerning the method of electing the council shall not preclude an initiative petition on adoption of the council-manager form of government.

Nothing in this section shall be construed to prohibit the submission of more than one proposition for charter amendments on the same ballot so long as no proposition offers a different plan under the same option as another proposition on the same ballot. (1969, c. 629, s. 2; 1971, c. 698, s. 1; 1973, c. 426, s. 21.)

§ 160A-105. Submission of propositions to voters; form of ballot. — A proposition to approve an ordinance or petition shall be printed on the ballot in substantially the following form:

"Shall the ordinance (describe the effect of the ordinance) be approved?
( ) YES
( ) NO"

The ballot shall be separate from all other ballots used at the election.

If a majority of the votes cast on a proposition shall be in the affirmative, the plan contained therein shall be put into effect as provided in this Article. If a majority of the votes cast shall be against the proposition, the ordinance or petition proposing the amendments shall be void and of no effect. (1969, c. 629, s. 2; 1971, c. 698, s. 1.)

§ 160A-106. Amendment of charter provisions dependent on form of government. — The authority conferred by this Article to amend charter provisions within the options set out in G.S. 160A-101 also includes authority to amend other charter provisions dependent on the form of city government to conform them to the form of government amendments. By way of illustration and not limitation, if a charter providing for a five-member council is amended to increase the size of the council to seven members, a charter provision defining a quorum of the council as three members shall be amended to define a quorum as four members. (1971, c. 698, s. 1.)

§ 160A-107. Plan to continue for two years. — Charter amendments adopted as provided in this Article shall continue in force for at least two years after the beginning of the term of office of the officers elected thereunder. (1969, c. 629, s. 2; 1971, c. 698, s. 1.)

§ 160A-108. Municipal officers to carry out plan. — It shall be the duty of the mayor, the council, the city clerk, and other city officials in office, and all boards of election and election officials, when any plan of government is adopted as provided by this Article or is proposed for adoption, to comply with all requirements of this Article, to the end that all things may be done which are necessary for the nomination and election of the officers first to be elected under the new plan so adopted. (1969, c. 629, s. 2; 1971, c. 698, s. 1.)

§ 160A-109. Effective date. — The council may submit new charter amendments proposed under this Article at any regular or special municipal election, or at a special election called for that sole purpose. Any amendment affecting the election of city officers shall be finally adopted and approved at least 90 days before the first election for mayor or council members held thereunder. (1969, c. 629, s. 2; 1971, c. 698, s. 1.)

§ 160A-110. Charters to remain in force. — The charter of any city that adopts a new form of government as provided in this Article shall continue in full force and effect notwithstanding adoption of a new form of government, except to the extent modified by an ordinance adopted under the authority conferred and pursuant to the procedures prescribed by this Article. (1969, c. 629, s. 2; 1971, c. 698, s. 1.)

§§ 160A-111 to 160A-115: Reserved for future codification purposes.

ARTICLE 6.

Elections.

§§ 160A-116 to 160A-127: Repealed by Session Laws 1971, c. 1076, s. 2.

Cross Reference. — As to municipal elections, see §§ 163-279 to 163-306.

§§ 160A-128 to 160A-145: Reserved for future codification purposes.

ARTICLE 7.

Administrative Offices.

Part 1. Organization and Reorganization of City Government.

§ 160A-146. Council to organize city government. — The council may create, change, abolish, and consolidate offices, positions, departments, boards, commissions, and agencies of the city government and generally organize and reorganize the city government in order to promote orderly and efficient administration of city affairs, subject to the following limitations:

(1) The council may not abolish any office, position, department, board, commission, or agency established and required by law;

(2) The council may not combine offices or confer certain duties on the same officer when such action is specifically forbidden by law;

(3) The council may not discontinue or assign elsewhere any functions or duties assigned by law to a particular office, position, department, or agency. (1971, c. 698, s. 1.)

Local Modification. — City of Charlotte: 1973, cc. 228, 330.

Part 2. Administration of Council-Manager Cities.

§ 160A-147. Appointment of city manager. — In cities whose charters provide for the council-manager form of government, the council shall appoint a city manager to serve at its pleasure. The manager shall be appointed solely on the basis of his executive and administrative qualifications. He need not be a resident of the city or State at the time of his appointment. The office of city manager is hereby declared to be an office that may be held concurrently with other appointive (but not elective) offices pursuant to Article VI, Sec. 9, of the Constitution. (1969, c. 629, s. 2; 1971, c. 698, s. 1.)

§ 160A-148. Powers and duties of manager. — The manager shall be the chief administrator of the city. He shall be responsible to the council for administering all municipal affairs placed in his charge by them, and shall have the following powers and duties:

(1) He shall appoint and suspend or remove all city officers and employees not elected by the people, and whose appointment or removal is not otherwise provided for by law, except the city attorney, in accordance with such general personnel rules, regulations, policies, or ordinances as the council may adopt.
(2) He shall direct and supervise the administration of all departments, offices, and agencies of the city, subject to the general direction and control of the council, except as otherwise provided by law.
(3) He shall attend all meetings of the council and recommend any measures that he deems expedient.
(4) He shall see that all laws of the State, the city charter, and the ordinances, resolutions, and regulations of the council are faithfully executed within the city.
(5) He shall prepare and submit the annual budget and capital program to the council.
(6) He shall annually submit to the council and make available to the public a complete report on the finances and administrative activities of the city as of the end of the fiscal year.
(7) He shall make any other reports that the council may require concerning the operations of city departments, offices, and agencies subject to his direction and control.
(8) He shall perform any other duties that may be required or authorized by the council. (1969, c. 629, s. 2; 1971, c. 698, s. 1; 1973, c. 426, s. 22.)

Liability of City for Malicious Prosecution by Manager. — Action of the city manager in instigating the arrest and prosecution of a municipal employee for embezzlement is done in the performance of a governmental function imposed upon the city manager by this section, and therefore the city may not be held liable in tort by such employee in an action for malicious prosecution. McDonald v. Carper, 252 N.C. 29, 112 S.E.2d 741 (1960) (decided under former § 160-349).

§ 160A-149. Acting city manager. — By letter filed with the city clerk, the manager may designate, subject to the approval of the council, a qualified person to exercise the powers and perform the duties of manager during his temporary absence or disability. During this absence or disability, the council may revoke that designation at any time and appoint another to serve until the manager returns or his disability ceases. (1971, c. 698, s. 1.)

§ 160A-150. Interim city manager. — When the position of city manager is vacant, the council shall designate a qualified person to exercise the powers and perform the duties of manager until the vacancy is filled. (1971, c. 698, s. 1.)

§ 160A-151. Mayor and councilmen ineligible to serve or act as manager. — Neither the mayor nor any member of the council shall be eligible for appointment as manager or acting or interim manager. (1971, c. 698, s. 1.)

§ 160A-152. Applicability of Part. — This Part shall apply only to those cities having the council-manager form of government. If the powers and duties of a city manager set out in any city charter shall differ materially from those set out in G.S. 160A-148, the council may by ordinance confer or impose on the manager any of the powers or duties set out in G.S. 160A-148 but not contained in the charter. (1971, c. 698, s. 1.)

§§ 160A-153, 160A-154: Reserved for future codification purposes.

Part 3. Administration of Mayor-Council Cities.

§ 160A-155. Council to provide for administration in mayor-council cities. — The council shall appoint, suspend, and remove the heads of all city departments. The head of each department shall appoint, suspend, and remove all city employees assigned to his department, and shall see that all laws of the State, the city charter, and the ordinances, resolutions, and regulations of the council concerning his department are faithfully executed within the city. Otherwise, the administration of the city shall be performed as provided by law or direction of the council. (1971, c. 698, s. 1.)

§ 160A-156. Acting department heads. — By letter filed with the city clerk, the head of any department may designate, subject to the approval of the council, a qualified person to exercise the powers and perform the duties of head of that department during his temporary absence or disability. During his absence or disability, the council may revoke that designation at any time and appoint another officer to serve until the department head returns or his disability ceases. (1971, c. 698, s. 1.)

§ 160A-157. Interim department heads. — When the position of head of any department is vacant, the council may designate a qualified person to exercise the powers and perform the duties of head of the department until the vacancy is filled. (1971, c. 698, s. 1.)

§ 160A-158. Mayor and councilmen ineligible to serve or act as heads of departments. — Neither the mayor nor any member of the council shall be eligible for appointment as head of any city department or as acting or interim head of a department. This section shall not apply to cities having a population of less than 5,000. (1971, c. 698, s. 1.)

§ 160A-159. Applicability of Part. — This Part shall apply only to those cities having the mayor-council form of government. (1971, c. 698, s. 1.)

§§ 160A-160, 160A-161: Reserved for future codification purposes.

Part 4. Personnel.

§ 160A-162. Compensation. — (a) The council shall fix or approve the schedule of pay, expense allowances, and other compensation of all city employees, and may adopt position classification plans. In cities with the council-manager form of government, the manager shall be responsible for preparing position classification and pay plans for submission to the council and, after any such plans have been adopted by the council, shall administer them. In cities with the mayor-council form of government, the council shall appoint a personnel officer (or confer the duties of personnel officer on some city

administrative officer); the personnel officer shall then be responsible for administering the pay plan and any position classification plan in accordance with general policies and directives adopted by the council.

(b) The council may purchase life insurance and health insurance for the benefit of all or any class of city employees as a part of their compensation, and may provide other fringe benefits for city employees. (1923, c. 20; 1949, c. 103; 1969, c. 845; 1971, c. 698, s. 1.)

Compensation When No Salary Specified. — Where a municipal corporation engages a commissioner of its sinking fund under the provisions of its charter, by which the incumbent was employed for a term of years continuously, his employment is that of a public officer, which precludes compensation based upon a quantum meruit, and he may not recover for his services in the absence of express statutory provision. Borden v. City of Goldsboro, 173 N.C. 661, 92 S.E. 694 (1917) (decided under former similar provisions).

§ 160A-163. Retirement benefits. — (a) The council may provide for enrolling city employees in the Local Governmental Employees' Retirement System, the Law-Enforcement Officers' Benefit and Relief Fund, the Firemen's Pension Fund, or a retirement plan certified to be actuarially sound by a qualified actuary as defined in subsection (d) of this section, and may make payments into any such retirement system or plan on behalf of its employees. The city may also supplement from local funds benefits provided by the Local Governmental Employees' Retirement System, the Law-Enforcement Officers' Benefit and Relief Fund, or the Firemen's Pension Fund.

(b) The council may create and administer a special fund for the relief of members of the police and fire departments who have been retired for age, or for disability or injury incurred in the line of duty, but any such funds established on or after January 1, 1972, shall be subject to the provisions of subsection (c) of this section. The council may receive donations and bequests in aid of any such fund, shall provide for its permanence and increase, and shall prescribe and regulate the conditions under which benefits may be paid.

(c) No city shall make payments into any retirement system or plan established or authorized by local act of the General Assembly unless the plan is certified to be actuarially sound by a qualified actuary as defined in subsection (d) of this section.

(d) A qualified actuary means an individual certified as qualified by the Commissioner of Insurance, or any member of the American Academy of Actuaries. (1917, c. 136, subch. 5, s. 1; 1919, cc. 136, 237; C. S., s. 2787; 1965, c. 931; 1971, c. 698, s. 1.)

Local Modification. — City of Lincolnton: 1973, c. 978.

§ 160A-164. Personnel rules. — The council may adopt or provide for rules and regulations or ordinances concerning but not limited to annual leave, sick leave, special leave with full pay or with partial pay supplementing workmen's compensation payments for employees injured in accidents arising out of and in the course of employment, hours of employment, holidays, working conditions, service award and incentive award programs, other personnel policies, and any other measures that promote the hiring and retention of capable, diligent, and honest career employees. (1917, c. 136, subch. 5, s. 1; 1919, cc. 136, 237; C. S., s. 2787; 1965, c. 931; 1971, c. 698, s. 1.)

§ 160A-165. Personnel board. — The council may establish a personnel board with authority to administer tests designed to determine the merit and fitness of candidates for appointment or promotion, to conduct hearings upon the appeal

of employees who have been suspended, demoted, or discharged, and hear employee grievances. (1917, c. 136, subch. 5, s. 1; 1919, cc. 136, 237; C. S., s. 2787; 1965, c. 931; 1971, c. 698, s. 1.)

§ 160A-166. Participation in Social Security Act. — The council may take any action necessary to allow city employees to participate fully in benefits provided by the federal Social Security Act. (1949, c. 103; 1969, c. 845; 1971, c. 698, s. 1.)

§ 160A-167. Defense of employees and officers. — Upon request made by or in behalf of any employee or officer, or former employee or officer, any city, county or county alcoholic beverage control board may provide for the defense of any civil or criminal action or proceeding brought against him either in his official or in his individual capacity, or both, on account of any act done or omission made, or any act allegedly done or omission allegedly made, in the scope and course of his employment or duty as an employee or officer of the city, county or county alcoholic beverage control board. The defense may be provided by the city, county or county alcoholic beverage control board by its own counsel, or by employing other counsel, or by purchasing insurance which requires that the insurer provide the defense. Providing for a defense pursuant to this section is hereby declared to be for a public purpose, and the expenditure of funds therefor is hereby declared to be a necessary expense. Nothing in this section shall be deemed to require any city, county or county alcoholic beverage control board to provide for the defense of any action or proceeding of any nature. (1967, c. 1093; 1971, c. 698, s. 1; 1973, c. 426, s. 23; c. 1450.)

§ 160A-168. Privacy of employee personnel records. — (a) Notwithstanding the provisions of G.S. 132-6 or any other general law or local act concerning access to public records, personnel files maintained by a city are subject to inspection and may be disclosed only as provided by this section.

(b) The following information with respect to each city employee is a matter of public record: name; age; date of original employment or appointment to the service; current position title; current salary; date and amount of the most recent increase or decrease in salary; date of the most recent promotion, demotion, transfer, suspension, separation, or other change in position classification; and the office to which the employee is currently assigned. The city council shall determine in what form and by whom this information will be maintained. Any person may have access to this information for the purpose of inspection, examination, and copying, during regular business hours, subject only to such rules and regulations for the safekeeping of public records as the city council may have adopted. Any person denied access to this information may apply to the appropriate division of the General Court of Justice for an order compelling disclosure, and the court shall have jurisdiction to issue such orders.

(c) All information contained in a city employee's personnel file, other than the information made public by subsection (b) of this section, is confidential and shall be open to inspection only in the following instances:

(1) The employee or his duly authorized agent may examine all portions of his personnel file except (i) letters of reference solicited prior to employment, and (ii) information concerning a medical disability, mental or physical, that a prudent physician would not divulge to his patient.

(2) A licensed physician designated in writing by the employee may examine the employee's medical record.

(3) A city employee having supervisory authority over the employee may examine all material in the employee's personnel file.

(4) By order of a court of competent jurisdiction, any person may examine such portion of an employee's personnel file as may be ordered by the court.

(5) An official of an agency of the State or federal government, or any political subdivision of the State, may inspect any portion of a personnel file when such inspection is deemed by the official having custody of such records to be inspected to be necessary and essential to the pursuance of a proper function of the inspecting agency, but no information shall be divulged for the purpose of assisting in a criminal prosecution (of the employee), or for the purpose of assisting in an investigation of (the employee's) tax liability.

(d) The city council of a city that maintains personnel files containing information other than the information mentioned in subsection (b) of this section shall establish procedures whereby an employee who objects to material in his file on grounds that it is inaccurate or misleading may seek to have the material removed from the file or may place in the file a statement relating to the material.

(e) Any public official or employee who knowingly and willfully permits any person to have access to any confidential information contained in an employee personnel file, except as expressly authorized by this section, is guilty of a misdemeanor and upon conviction shall be fined in an amount not to exceed five hundred dollars ($500.00).

(f) Any person, not specifically authorized by this section to have access to a personnel file designated as confidential, who shall knowingly and willfully examine in its official filing place, remove or copy any portion of a confidential personnel file shall be guilty of a misdemeanor and upon conviction shall be fined in the discretion of the court but not in excess of five hundred dollars ($500.00). (1975, c. 701, s. 2.)

§§ 160A-169, 160A-170: Reserved for future codification purposes.

Part 5. City Clerk.

§ 160A-171. City clerk; duties. — There shall be a city clerk who shall give notice of meetings of the council, keep a journal of the proceedings of the council, be the custodian of all city records, and shall perform any other duties that may be required by law or the council. (1917, c. 136, subch. 13, s. 1; C. S., s. 2826; 1941, c. 103; 1949, c. 14; 1971, c. 698, s. 1.)

§ 160A-172. Deputy clerk. — The council may provide for a deputy city clerk who shall have full authority to exercise and perform any of the powers and duties of the city clerk that may be specified by the council. (1917, c. 136, subch. 13, s. 1; C. S., s. 2826; 1941, c. 103; 1949, c. 14; 1971, c. 698, s. 1.)

Part 6. City Attorney.

§ 160A-173. City attorney; appointment and duties. — The council shall appoint a city attorney to serve at its pleasure and to be its legal adviser. (1971, c. 698, s. 1.)

ARTICLE 8.

Delegation and Exercise of the General Police Power.

§ 160A-174. General ordinance-making power. — (a) A city may by ordinance define, prohibit, regulate, or abate acts, omissions, or conditions, detrimental to the health, safety, or welfare of its citizens and the peace and dignity of the city, and may define and abate nuisances.

(b) A city ordinance shall be consistent with the Constitution and laws of North Carolina and of the United States. An ordinance is not consistent with State or federal law when:

(1) The ordinance infringes a liberty guaranteed to the people by the State or federal Constitution;

(2) The ordinance makes unlawful an act, omission or condition which is expressly made lawful by State or federal law;

(3) The ordinance makes lawful an act, omission, or condition which is expressly made unlawful by State or federal law;

(4) The ordinance purports to regulate a subject that cities are expressly forbidden to regulate by State or federal law;

(5) The ordinance purports to regulate a field for which a State or federal statute clearly shows a legislative intent to provide a complete and integrated regulatory scheme to the exclusion of local regulation.

(6) The elements of an offense defined by a city ordinance are identical to the elements of an offense defined by State or federal law.

The fact that a State or federal law, standing alone, makes a given act, omission, or condition unlawful shall not preclude city ordinances requiring a higher standard of conduct or condition. (1971, c. 698, s. 1.)

Editor's Note. — Many of the cases cited in the following note were decided under former similar provisions.

In General. — "In construing this and similar legislation elsewhere, the courts have very generally held that the established municipal authorities may enact such ordinances as are promotive of the peace and good order of the town, the limitation being that the regulations may not be unreasonable or unduly discriminative nor manifestly oppressive and in 'derogation of common right.'" State v. Burbage, 172 N.C. 876, 89 S.E. 795 (1916).

It is not necessary now to aver an authority to pass the ordinance conferred by a general and public law, as it was when that authority was derived under a special act of incorporation. State v. Merritt, 83 N.C. 677 (1880).

Construction against City. — A doubt as to whether an ordinance is invalid, as conflicting with individual rights, should be resolved against the city. Slaughter v. O'Berry, 126 N.C. 181, 35 S.E. 241, 48 L.R.A. 442 (1900).

The courts will not inquire into the motives which prompt a municipality's legislative body to enact an ordinance which is valid on its face. Clark's Greenville, Inc. v. West, 268 N.C. 527, 151 S.E.2d 5 (1966).

Court Slow to Question Discretion of Ordinance. — By this section discretionary power is vested in the city authorities, and the courts will be slow to interfere when the ordinance is not contrary to the laws of the State and no fraud, dishonesty, or oppression is charged. State v. Austin, 114 N.C. 855, 19 S.E. 919 (1894). Or unless their action is so clearly unreasonable as to amount to oppression and manifest abuse of their discretion, and then the power of the court will be exercised with great caution and only in a clear case. Jones v. Town of North Wilkesboro, 150 N.C. 646, 64 S.E. 866 (1909).

Stay of federal court action. — In the absence of any showing that the obvious method, detailed in this section, for testing preemption and securing a definitive ruling in the State courts cannot be pursued with full protection to the plaintiffs' claim, the federal court will stay its hand. Brown v. Brannon, 399 F. Supp. 133 (M.D.N.C. 1975).

Challenging Constitutionality of Criminal Statute or Ordinance in Action to Enjoin Enforcement. — Notwithstanding the general rule that the constitutionality of a statute or ordinance purporting to create a criminal offense may not be challenged in an action to enjoin its enforcement, a well-established exception permits such action when injunctive relief is essential to the protection of property rights and the rights of persons against injuries otherwise irremediable. Raleigh Mobile Home Sales, Inc. v. Tomlinson, 7 N.C. App. 289, 172 S.E.2d 276, aff'd, 276 N.C. 661, 174 S.E.2d 542 (1970).

Ordinances Operative until Repealed. — Succeeding boards of commissioners are deemed to act subject to the provisions of ordinances passed by their predecessors in authority, until they see fit to repeal them. Hutchins v. Town of Durham, 118 N.C. 457, 24 S.E. 723 (1896).

General Laws Prevail over Ordinances. — "The true principle is that municipal bylaws and ordinances must be in harmony with the general laws of the State, and whenever they come in conflict with the general laws the bylaws and ordinances must give way." Washington v. Hammond, 76 N.C. 33 (1877); State v. Stevens, 114 N.C. 873, 19 S.E. 861 (1894); State v. Williams, 283 N.C. 550, 196 S.E.2d 756 (1973).

Although the majority of cases dealing with a conflict between a municipal ordinance and a state statute have arisen in criminal actions, the same principles apply in civil causes. Greene v. City of Winston-Salem, 287 N.C. 66, 213 S.E.2d 231 (1975).

Legislation Classifications Must Bear Reasonable Relation to Purpose. — The equal protection clauses of the United States and North Carolina Constitutions impose upon law-making bodies the requirement that any legislative classification be based on differences that are reasonably related to the purposes of the act in which it is found. State v. Greenwood, 280 N.C. 651, 187 S.E.2d 8 (1972).

Classification of Occupations. — The general question of the right of classification was very fully considered in State v. Davis, 157 N.C. 648, 73 S.E. 130 (1911), and Smith v. Wilkins, 164 N.C. 135, 80 S.E. 168 (1913), and the doctrine was approved that the General Assembly or municipal corporation has the power to classify the different occupations, provided the classification is not unreasonable and oppressive, and that usually the extent to which the power will be exercised is for the General Assembly or the governing body of the municipality. State v. Davis, 171 N.C. 809, 89 S.E. 40 (1916).

So long as the classification made by the ordinance bears some reasonable relationship to the public welfare which the ordinance seeks to promote, the ordinance will not be rendered unconstitutional merely because persons in one class derive some incidental competitive advantage over those in another. Raleigh Mobile Home Sales, Inc. v. Tomlinson, 7 N.C. App. 289, 172 S.E.2d 276, aff'd, 276 N.C. 661, 174 S.E.2d 542 (1970).

Sunday Ordinances. — The power to enact Sunday ordinances has been delegated to the municipalities of the State. State v. Trantham, 230 N.C. 641, 55 S.E.2d 198 (1949).

"It is against the public policy of the State that one should pursue his ordinary business calling on Sunday, and it is very generally understood not only that ordinary business pursuits may be regulated, but altogether prohibited on Sunday." State v. Medlin, 170 N.C. 682, 86 S.E. 597 (1915); State v. Burbage, 172 N.C. 876, 89 S.E. 795 (1916).

The enactment of Sunday regulations comes within the police power, and the General Assembly or a municipal governing board exercising delegated power may enact such regulations provided the classifications of those affected are based upon reasonable distinctions, affect all persons similarly situated, and have some reasonable relation to the public peace, welfare, and safety. Clark's Charlotte, Inc. v. Hunter, 261 N.C. 222, 134 S.E.2d 364 (1964).

When enacted by cities and towns under general laws, Sunday observance ordinances which are reasonable and do not discriminate within a class of competitors similarly situated have been upheld as a valid exercise of delegated police power. State v. Smith, 265 N.C. 173, 143 S.E.2d 293 (1965).

Sunday observance ordinances adopted in the exercise of the police power conferred by the General Assembly upon cities and towns have been upheld by the Supreme Court. Whitney Stores, Inc. v. Clark, 277 N.C. 322, 177 S.E.2d 418 (1970).

Ordinances prohibiting certain activities on Sunday, enacted pursuant to this section, are not in contravention of N.C. Const., Art. I, § 13. State v. McGee, 237 N.C. 633, 75 S.E.2d 783 (1953).

The provisions of N.C. Const., Art. I, §§ 13 and 19, do not deprive the legislature of authority to prohibit by a statute, otherwise valid, the carrying on of and engaging in, on Sunday, any and all labor and the operation of industrial and commercial pursuits, except for works of necessity and acts which, themselves, are in exercise of the constitutional right to worship. The legislature may delegate this power to municipalities. Such legislation is within the police power of the State and, nothing else appearing, is not a violation of the First or Fourteenth Amendment to the Constitution of the United States. Raleigh Mobile Home Sales, Inc. v. Tomlinson, 276 N.C. 661, 174 S.E.2d 542 (1970).

The objective of a municipal ordinance being the establishment of Sunday as a day of general rest and relaxation, the difference in treatment by the ordinance of two types of business must be supported by a reasonable basis for the conclusion that one, substantially more than the other, will interfere with such use and enjoyment of the day. Raleigh Mobile Home Sales, Inc. v. Tomlinson, 276 N.C. 661, 174 S.E.2d 542 (1970).

The legislative body has a wide discretion in determining which activities do and which activities do not interfere with the observance of Sunday as a day of general rest and relaxation sufficiently to justify the prohibition of those activities on that day. The burden rests upon the person complaining to establish the absence of a reasonable basis for such determination. Raleigh Mobile Home Sales, Inc. v. Tomlinson, 276 N.C. 661, 174 S.E.2d 542 (1970).

Regulating the sale of merchandise, drinks, etc., on Sunday is a valid exercise of the police powers of an incorporated city or town. And while the service of meals within the municipality at restaurants, etc., is a necessity, permitting the sale of coffee, tea, etc., the sale of coca-cola as a part of the meals is not included, and a sale thereof as a part of the meal may be prohibited by ordinance. State v. Weddington, 188 N.C. 643, 125 S.E. 257 (1924).

Sunday observance ordinances, when they proscribe buying and selling, whether it be tangible merchandise or a ticket to an amusement or a sporting event, regulate trade under the broad definition of trade which has been adopted by the Supreme Court. Since, however, these city ordinances are passed under general laws, with reference to them there is no conflict between the exercise of the police power and N.C. Const., Art. II, § 24. State v. Smith, 265 N.C. 173, 143 S.E.2d 293 (1965).

An ordinance of a town may, under the provisions of this section prohibit the opening of all places of business on Sunday, except drugstores; and it is not an unreasonable regulation, under the police power of the town, inasmuch as drugstores are open all day Sunday, for the governing authorities to further provide that they may sell articles of common use which are quasi necessities to many, such as mineral waters, soft drinks, cigars and tobacco, only, between certain hours of that day. State v. Medlin, 170 N.C. 682, 86 S.E. 597 (1915).

An ordinance of a town, authorized by statute, imposing a fine of $25 upon drugstores for selling cigars, etc., on Sunday, and a fine of $5 for the same offense upon restaurants, cafes, and lunch stands declaring the same to be a misdemeanor, relates to distinct and easily severable occupations, and in the absence of any finding that those engaged in them come in competition with each other, the ordinance will not be declared unconstitutional and invalid upon the ground that it is discretionary against the owners of drugstores. State v. Davis, 171 N.C. 809, 89 S.E. 40 (1916).

A municipal ordinance prohibiting generally the operation of all businesses within a municipality on Sunday, but excepting certain businesses, including hotels, drugstores, magazine stands, etc., does not result in unlawful discrimination in regard to general department stores, even though such stores have departments selling the same types of goods as stores within the classifications excepted from the ordinance, since the classification of general department stores as distinguished from drugstores, bakeries, etc., is based upon a reasonable distinction and the ordinance operates equally upon all within the several classifications. Clark's Charlotte, Inc. v. Hunter, 261 N.C. 222, 134 S.E.2d 364 (1964).

A Sunday observance ordinance which classifies "sporting goods and toys" as prohibited items and live bait as permitted items cannot be considered unreasonable, arbitrary or discriminatory. S.S. Kresge Co. v. Tomlinson, 275 N.C. 1, 165 S.E.2d 236 (1969).

A municipal ordinance which prohibits the sale on Sunday of mobile homes but which does not prohibit the sale on Sunday of conventional homes is valid, since a classification based on the differences between the two types of selling — presence or absence of traffic, congestion, and noise — bears a reasonable relation to the purpose of the ordinance in establishing Sunday as a day of rest and relaxation. Raleigh Mobile Home Sales, Inc. v. Tomlinson, 276 N.C. 661, 174 S.E.2d 542 (1970).

Ordinance regulating sale of merchandise on Sunday held valid. Clark's Greenville, Inc. v. West, 268 N.C. 527, 151 S.E.2d 5 (1966).

The validity of a Sunday closing statute or ordinance depends upon its reasonable relation to the accomplishment of the State's legitimate objective, which, in this instance, is the promotion of the public health, safety, morals and welfare by the establishment of a day of rest and relaxation. Legislation for this purpose, like other legislation, may not discriminate arbitrarily either between persons, or groups of persons, or between activities which are prohibited and those which are permitted. State v. Greenwood, 280 N.C. 651, 187 S.E.2d 8 (1972).

The general rule is that the enactment of Sunday regulations is a legitimate exercise of the police power, and that the classification on which a Sunday law is based is within the discretion of the legislative branch of the government or within the discretion of the governing body of a municipality clothed with power to enact and enforce ordinances for the observance of Sunday, and will be upheld, provided the classification is founded upon reasonable distinctions, affects all persons similarly situated or engaged in the same business without discrimination, and has some reasonable relation to the public peace, welfare and safety. State v. Greenwood, 280 N.C. 651, 187 S.E.2d 8 (1972).

Power to Close Business at Certain Hours. — The right of a city to restrict hours of business is restricted to cases when it is for the protection and benefit of the public. It has no power to require a merchant to close his store at an early hour because other merchants so desire to close all stores at a regular early hour. State v. Ray, 131 N.C. 814, 42 S.E. 960 (1902).

Sitting in Place of Business after Closing Time. — A city has power to restrict the use of property insofar as it may injure others, but it has no power to provide against a person sitting in his place of business after a time prescribed for closing it. State v. Thomas, 118 N.C. 1221, 24 S.E. 535 (1896).

City May Proscribe Obscenity Not Forbidden by State Law. — Under subsection (b) of this section, notwithstanding the existence of a general statewide law relating to obscene displays and publications, a city may enact an ordinance prohibiting and punishing conduct not forbidden by such statewide law. State v. Tenore, 280 N.C. 238, 185 S.E.2d 644 (1972).

Nothing in §§ 14-190.1 to 14-190.9, statewide laws relating to obscene literature and exhibitions and to indecent exposure, expresses

or indicates an intent by the General Assembly to preclude cities and towns under this section and § 160A-181 from enacting and enforcing ordinances requiring a higher standard of conduct or condition within their respective jurisdictions. State v. Tenore, 280 N.C. 238, 185 S.E.2d 644 (1972).

Conflict with State Building Code. — An interpretation of § 160A-174 to allow a city ordinance requiring sprinkler systems, thus empowering a city to ignore explicit statewide legislative enactments, would, in effect, permit a city to amend the North Carolina Building Code by the simple expedient of codifying a contested ordinance as a part of its fire prevention code and thereby to evade the clear requirements of § 143-138(e). Greene v. City of Winston-Salem, 287 N.C. 66, 213 S.E.2d 231 (1975).

Regulation of Gasoline Stations. — That the regulation of gasoline filling or gasoline storage stations comes within the police power of the State is freely conceded; and that such power is specifically conferred upon the plaintiff is likewise conceded. Town of Wake Forest v. Medlin, 199 N.C. 83, 154 S.E. 29 (1930).

It is not necessary to the validity of an ordinance regulating the establishment of gasoline filling stations in a municipality that it substantially comply with the provisions of the statutes as to zoning, since the regulation of filling stations comes within the State police power which has been conferred on municipalities by the general law. Shuford v. Town of Waynesville, 214 N.C. 135, 198 S.E. 585 (1938).

Storage of Gasoline. — See City of Fayetteville v. Spur Distrib. Co., 216 N.C. 596, 5 S.E.2d 838 (1939).

Regulation of Massage Parlors. — See Cheek v. City of Charlotte, 273 N.C. 293, 160 S.E.2d 18 (1968).

Fluoridation Ordinance. — A municipal ordinance for the fluoridation of the city water supply is enacted in the exercise of public policy, and the courts will not interfere therewith in the absence of a showing that the ordinance is so unreasonable, oppressive, and subversive as to amount to an abuse rather than a legitimate exercise of the legislative power. Stroupe v. Eller, 262 N.C. 573, 138 S.E.2d 240 (1964).

Mobile Homes May Not Be Prohibited Per Se. — A well-constructed and equipped mobile home connected with the public water, sewer and electric systems could not be deemed per se "detrimental to the health, morals, comfort, safety, convenience and welfare of the people" of a town within the purview of subdivision (6) of former § 160-200; consequently, that subdivision did not confer upon a municipality the authority to enact an ordinance prohibiting the use anywhere within its limits of a single mobile home as a permanent residence. Town of Conover v. Jolly, 277 N.C. 439, 177 S.E.2d 879 (1970).

Mobile Home Is Not Nuisance Per Se. — Subdivision (26) of former § 160-200 conferred upon cities and towns the power to prevent and abate nuisances, but a mobile home is not a nuisance per se. Town of Conover v. Jolly, 277 N.C. 439, 177 S.E.2d 879 (1970).

Encroachment on Street by Buildings. — Any permanent structure or purpresture which materially encroaches upon a public street and impedes travel is a nuisance per se, and may be abated, notwithstanding space is left for the passage of the public, and a failure on the part of a city to abate it in a reasonable time will make it liable as a joint tort-feasor. Graham v. City of Charlotte, 186 N.C. 649, 120 S.E. 466 (1923).

Forbidding Lumber Yards in Residential Sections. — In Turner v. City of New Bern, 187 N.C. 541, 122 S.E. 469 (1924), the principle was laid down: "Under the provision of [a statute similar to this section] and under the provision of its charter authorizing a city to pass needful ordinances for its government not inconsistent with the law to secure the health, quiet, safety — general welfare clause — within its limits, etc., it is within the valid discretionary exercise of the police powers of the municipality to pass an ordinance forbidding the erection of lumber yards within a long-established, exclusively residential portion, and when this discretionary power has not been abused the courts will not interfere." Angelo v. City of Winston-Salem, 193 N.C. 207, 136 S.E. 489 (1927), aff'd, 274 U.S. 725, 47 S. Ct. 763, 71 L. Ed. 1329 (1926).

Health Ordinances. — A city has power to require that a dealer in second-hand clothing turn them over to the city to be disinfected and the exercise of the power cannot be considered as a restriction of an owner over his property, but is only the proper and lawful use of authority to protect the health of its citizens from diseases. Rosenbaum v. City of New Bern, 118 N.C. 83, 24 S.E. 1 (1896).

A municipal corporation has a legal right to destroy mosquitoes detrimental to the health and comfort of its residents. Moore v. Town of Plymouth, 249 N.C. 423, 106 S.E.2d 695 (1959).

Regulation of Markets. — A city in the exercise of statutory authority may enact a valid penal ordinance as affecting the health of its citizens, and under its police power, require that meats, fish, oysters, and perishable matter be sold at a sanitary market building containing refrigeration and other sanitary methods, under proper inspection, where adequate accommodation may be obtained at a reasonable rental, not for profit, and may exclude such business within a prescribed territory therefrom, the location of the markethouse being reasonably suitable to the business or trades specified. Angelo v. City of

Winston-Salem, 193 N.C. 207, 136 S.E. 489 (1927), aff'd, 274 U.S. 725, 47 S. Ct. 763, 71 L. Ed. 1329 (1926).

Hog Pens. — "The board of town commissioners could forbid the keeping of hog pens in the town to such an extent as they might deem necessary to prevent nuisances to the public, and, indeed, they could have done so without the express authority." State v. Hord, 122 N.C. 1092, 29 S.E. 952 (1898).

Ordinance against Hogs at Large. — A town ordinance declaring that "all hogs, etc., found running at large within the town" shall be taken up or impounded, is valid, whether the owner resides within the corporate limits of such town or not. Rose v. Hardie, 98 N.C. 44, 4 S.E. 41 (1887).

Dogs Running at Large. — A town ordinance dealing with dogs running at large was not inconsistent with § 106-381. The statute is designed to provide minimum protection against vicious dogs in all parts of the State — rural, urban, small villages and large cities. It stands to reason that with more concentrated population, cities are justified in adopting stricter regulations for dogs, and a city is authorized to require "a higher standard of conduct or condition" with respect to the keeping of dogs within its corporate limits than is required by § 106-381 for the State generally. Pharo v. Pearson, 28 N.C. App. 171, 220 S.E.2d 359 (1975).

Insulting an Officer. — The commissioners of a town have no authority to make it unlawful for one to insult an officer or police while in the discharge of his duty, nor to provide a fine for one convicted of such offense. State v. Clay, 118 N.C. 1234, 24 S.E. 492 (1896).

Indecent Language or Cursing. — An ordinance which forbids the use of "abusive or indecent language, cursing, swearing or any loud or boisterous talking, hallooing or any other disorderly conduct" within the corporate limits of a town, and imposes a fine of $25 for a violation of it, may be enacted by proper authorities under the powers granted to them in the general law, and such an ordinance is reasonable. State v. Merritt, 83 N.C. 677 (1880); State v. McNinch, 87 N.C. 567 (1882); State v. Cainan, 94 N.C. 880 (1886); State v. Earnhardt, 107 N.C. 789, 12 S.E. 426 (1890).

Authority to abate nuisances is liberally construed by the courts for the benefit of the citizens. State v. Beacham, 125 N.C. 652, 34 S.E. 447 (1899).

Liability for Failure to Abate. — A municipal corporation is not civilly liable for the failure to pass ordinances to preserve the public health or otherwise promote the public good nor for any omission to enforce the ordinances enacted under the legislative powers granted in its charter, or to see that they are properly observed by its citizens, or those who may be resident within the corporate limits. Bunch v. Edenton, 90 N.C. 431 (1886); Hull v. Town of Roxboro, 142 N.C. 453, 55 S.E. 351 (1906); Harrington v. Town of Greenville, 159 N.C. 632, 75 S.E. 849 (1912).

But a city is liable in damages for failure to abate in a reasonable time a nuisance that amounts to an obstruction in a street. Dillon v. City of Raleigh, 124 N.C. 184, 32 S.E. 548 (1899).

Compensation. — An owner of property is not entitled to compensation for property rightfully destroyed or damaged by a city in abating a nuisance; the reason for this is that the destruction or damage is for public safety or health and is not a taking of private property for public use without compensation or due process in the constitutional sense. Rhyne v. Town of Mount Holly, 251 N.C. 521, 112 S.E.2d 40 (1960).

But a municipality is liable for impairing, removing or destroying property, ostensibly in the abatement of a nuisance, where the thing or condition in question is not a nuisance per se, under statute or in fact, or where the thing or condition has not been declared to be a nuisance. Rhyne v. Town of Mount Holly, 251 N.C. 521, 112 S.E.2d 40 (1960).

Legislative Authority of Board of Aldermen of Winston-Salem. — The General Assembly, exercising the police power of the State, may legislate for the protection of the public health, safety, morals and general welfare of the people, and it has conferred this legislative authority upon the board of aldermen of Winston-Salem. Southern Ry. v. City of Winston-Salem, 275 N.C. 465, 168 S.E.2d 396 (1969).

Applied in State v. Underwood, 283 N.C. 154, 195 S.E.2d 489 (1973); Smith v. Keator, 21 N.C. App. 102, 203 S.E.2d 411 (1974).

Quoted in Smith v. Keator, 285 N.C. 530, 206 S.E.2d 203 (1974).

§ 160A-175. Enforcement of ordinances. — (a) A city shall have power to impose fines and penalties for violation of its ordinances, and may secure injunctions and abatement orders to further insure compliance with its ordinances as provided by this section.

(b) Unless the council shall otherwise provide, violation of a city ordinance shall be a misdemeanor as provided by G.S. 14-4. An ordinance may also provide by express statement that the maximum fine or term of imprisonment to be

imposed for its violation shall be some figure or number of days less than the maximum penalties prescribed by G.S. 14-4.

(c) An ordinance may provide that violation shall subject the offender to a civil penalty to be recovered by the city in a civil action in the nature of debt if the offender does not pay the penalty within a prescribed period of time after he has been cited for violation of the ordinance.

(d) An ordinance may provide that it may be enforced by an appropriate equitable remedy issuing from a court of competent jurisdiction. In such case, the General Court of Justice shall have jurisdiction to issue such orders as may be appropriate, and it shall not be a defense to the application of the city for equitable relief that there is an adequate remedy at law.

(e) An ordinance that makes unlawful a condition existing upon or use made of real property may be enforced by injunction and order of abatement, and the General Court of Justice shall have jurisdiction to issue such orders. When a violation of such an ordinance occurs the city may apply to the appropriate division of the General Court of Justice for a mandatory or prohibitory injunction and order of abatement commanding the defendant to correct the unlawful condition upon or cease the unlawful use of the property. The action shall be governed in all respects by the laws and rules governing civil proceedings, including the Rules of Civil Procedure in general and Rule 65 in particular.

In addition to an injunction, the court may enter an order of abatement as a part of the judgment in the cause. An order of abatement may direct that buildings or other structures on the property be closed, demolished, or removed; that fixtures, furniture, or other movable property be removed from buildings on the property; that grass and weeds be cut; that improvements or repairs be made; or that any other action be taken that is necessary to bring the property into compliance with the ordinance. If the defendant fails or refuses to comply with an injunction or with an order of abatement within the time allowed by the court, he may be cited for contempt, and the city may execute the order of abatement. The city shall have a lien on the property for the cost of executing an order of abatement in the nature of a mechanic's and materialman's lien. The defendant may secure cancellation of an order of abatement by paying all costs of the proceedings and posting a bond for compliance with the order. The bond shall be given with sureties approved by the clerk of superior court in an amount approved by the judge before whom the matter is heard and shall be conditioned on the defendant's full compliance with the terms of the order of abatement within a time fixed by the judge. Cancellation of an order of abatement shall not suspend or cancel an injunction issued in conjunction therewith.

(f) Subject to the express terms of the ordinance, a city ordinance may be enforced by any one, all, or a combination of the remedies authorized and prescribed by this section.

(g) A city ordinance may provide, when appropriate, that each day's continuing violation shall be a separate and distinct offense. (1971, c. 698, s. 1.)

Editor's Note. — The Rules of Civil Procedure are found in § 1A-1.

§ 160A-176. Ordinances effective on city property outside limits. — Any city ordinance may be made effective on and to property and rights-of-way belonging to the city and located outside the corporate limits. (1917, c. 136, subch. 5, s. 2; C. S., s. 2790; 1971, c. 698, s. 1; 1973, c. 426, s. 24.)

§ 160A-177. Enumeration not exclusive. — The enumeration in this Article or other portions of this Chapter of specific powers to regulate, restrict or prohibit acts, omissions, and conditions shall not be deemed to be exclusive or

a limiting factor upon the general authority to adopt ordinances conferred on cities by G.S. 160A-174. (1971, c. 698, s. 1.)

§ 160A-178. Regulation of solicitation campaigns and itinerant merchants. — A city may by ordinance regulate, restrict or prohibit the solicitation of contributions from the public for any charitable or eleemosynary purpose, and also the business activities of itinerant merchants, salesmen, promoters, drummers, peddlers, or hawkers. These ordinances may include, but shall not be limited to, requirements that an application be made and a permit issued, that an investigation be made, that activites be reasonably limited as to time and place, that proper credentials and proof of financial stability be submitted, that not more than a stated percentage of contributions to solicitation campaigns be retained for administrative expenses, and that an adequate bond be posted to protect the public from fraud. (1963, c. 789; 1971, c. 698, s. 1.)

License to Beg or Solicit Contributions on Streets. — A city ordinance in pursuance of subdivision (11) of former § 160-200 requiring a license to be issued by the municipal authorities to beg upon the city streets or to solicit contributions for charitable or religious purposes, in accordance with whether the person or purpose is ascertained by such authorities as worthy or whether the moneys solicited will be properly applied, is a valid and undiscriminating exercise of a police power, and not unlawful as an interference with the religious liberties of our people, or an obstruction to the lawful pursuit of their business. State v. Hundley, 195 N.C. 377, 142 S.E. 330 (1928).

Peddling. — For case decided prior to the 1963 amendment adding subdivision (42) of former § 160-200, see State v. Byrd, 259 N.C. 141, 130 S.E.2d 55 (1963), wherein it was held that a municipality had implied power to regulate, but not prohibit, selling on streets from mobile units. Subdivision (42) gave authority to prohibit peddlers, etc.

§ 160A-179. Regulation of begging. — A city may by ordinance prohibit or regulate begging or otherwise canvassing the public for contributions for the private benefit of the solicitor or any other person. (1971, c. 698, s. 1.)

§ 160A-180. Regulation of aircraft overflights. — A city may by ordinance regulate the operation of aircraft over the city. (1971, c. 698, s. 1.)

§ 160A-181. Regulation of places of amusement. — A city may by ordinance regulate places of amusement and entertainment, and may regulate, restrict or prohibit the operation of pool and billiard halls, dance halls, carnivals, circuses, or any itinerant show or exhibition of any kind. Places of amusement and entertainment shall include coffee houses, cocktail lounges, night clubs, beer halls, and similar establishments, but any regulations thereof shall be consistent with any permits or licenses issued by the State Board of Alcoholic Control. (1917, c. 136, subch. 5, s. 1; 1919, cc. 136, 237; C. S., s. 2787; 1971, c. 698, s. 1.)

Regulation of Dance Halls. — Cities had power, among other things, to license, prohibit, and regulate dance halls, by express provisions of former § 160-200, and in the interest of public morals provide for the revocation of such licenses, as valid exercise of the State's inherent police power, made applicable to cities and towns generally. State v. Vanhook, 182 N.C. 831, 109 S.E. 65 (1921).

An ordinance requiring the consent of the board of directors of the city before keeping a dance hall therein is not objectionable as an arbitrary exercise of power, or as being at the pleasure of the board, but comes within its limited legal discretion, which the courts will not permit it to abuse, but will not disturb in the absence of its abusive use. State v. Vanhook, 182 N.C. 831, 109 S.E. 65 (1921) (decided under former § 160-200).

Sunday Closing Ordinances. — The constitutionality of a Sunday closing ordinance depends upon whether the absolute prohibition on Sunday of the one business of operating billiard halls by licensed operators in a lawful manner denies the equal protection of the laws guaranteed by N.C. Const., Art. I, § 19, and by the Fourteenth Amendment to the Constitution of the United States. State v. Greenwood, 280 N.C. 651, 187 S.E.2d 8 (1972).

In determining whether a Sunday ban on the operation of billiard halls, but on no other businesses which provide facilities and opportunities for recreation, amusements and sports, denies equal protection to the operators of billiard halls, consideration must be given to the purpose of the ordinance and to the classification involved. State v. Greenwood, 280 N.C. 651, 187 S.E.2d 8 (1972).

A Sunday closing ordinance which singles out and bans the operation of billiard halls on Sunday but permits other businesses which provide facilities for recreation, sports and amusements, which are potentially as equally disruptive, violates the equal protection clauses of the North Carolina and United States Constitutions. State v. Greenwood, 280 N.C. 651, 187 S.E.2d 8 (1972).

Regulation of Obscenity. — Nothing in §§ 14-190.1 to 14-190.9, statewide laws relating to obscene literature and exhibitions and to indecent exposure, expresses or indicates an intent by the General Assembly to preclude cities and towns under § 160A-174 and this section from enacting and enforcing ordinances requiring a higher standard of conduct or condition within their respective jurisdictions. State v. Tenore, 280 N.C. 238, 185 S.E.2d 644 (1972).

Applied in State v. Underwood, 283 N.C. 154, 195 S.E.2d 489 (1973).

§ 160A-182. Abuse of animals. — A city may by ordinance define and prohibit the abuse of animals. (1917, c. 136, subch. 5, s. 1; 1919, cc. 136, 237; C. S., s. 2787; 1971, c. 698, s. 1.)

§ 160A-183. Regulation of explosive, corrosive, inflammable, or radioactive substances. — A city may by ordinance restrict, regulate or prohibit the sale, possession, storage, use, or conveyance of any explosive, corrosive, inflammable, or radioactive substances, or any weapons or instrumentalities of mass death and destruction within the city. (1917, c. 136, subch. 5, s. 1; 1919, cc. 136, 237; C. S., s. 2787; 1971, c. 698, s. 1.)

§ 160A-184. Noise regulation. — A city may by ordinance regulate, restrict, or prohibit the production or emission of noises or amplified speech, music, or other sounds that tend to annoy, disturb, or frighten its citizens. (1971, c. 698, s. 1; 1973, c. 426, s. 25.)

Prevention of Disturbing Noises. — The protection of the well-being and tranquility of a community by the reasonable prevention of disturbing noises is within the city's power to control nuisances. State v. Dorsett, 3 N.C. App. 331, 164 S.E.2d 607 (1968) (decided prior to the enactment of this section).

§ 160A-185. Emission of pollutants or contaminants. — A city may by ordinance regulate, restrict, or prohibit the emission or disposal of substances or effluents that tend to pollute or contaminate land, water, or air, rendering or tending to render it injurious to human health or welfare, to animal or plant life or to property, or interfering or tending to interfere with the enjoyment of life or property. Any such ordinance shall be consistent with and supplementary to State and federal laws and regulations. (1917, c. 136, subch. 5, s. 1; 1919, cc. 136, 237; C. S., s. 2787; 1949, c. 594, s. 2; 1971, c. 698, s. 1; 1973, c. 426, s. 26.)

Cited in Stanley v. Department of Conservation & Dev., 284 N.C. 15, 199 S.E.2d 641 (1973).

§ 160A-186. Regulation of domestic animals. — A city may by ordinance regulate, restrict, or prohibit the keeping, running, or going at large of any domestic animals, including dogs and cats. The ordinance may provide that animals allowed to run at large in violation of the ordinance may be seized and sold or destroyed after reasonable efforts to notify their owner. (1917, c. 136, subch. 5, s. 1; 1919, cc. 136, 237; C. S., s. 2787; 1971, c. 698, s. 1.)

Ordinance against Keeping Cows. — An ordinance forbidding the keeping of cows within a certain portion of the city is valid. State v. Stowe, 190 N.C. 79, 128 S.E. 481 (1925) (decided under prior similar provisions).

§ 160A-187. Possession or harboring of wild animals. — A city may by ordinance regulate, restrict, or prohibit the possession or harboring within the city of wild animals dangerous to person or property or offensive to the senses. (1971, c. 698, s. 1.)

§ 160A-188. Bird sanctuaries. — A city may by ordinance create and establish a bird sanctuary within the city limits. The ordinance may not protect any birds classified as unprotected by the Wildlife Resources Commission or by law. When a bird sanctuary has been established, it shall be unlawful for any person to hunt, kill, trap, or otherwise take any protected birds within the city limits except pursuant to a permit issued under G.S. 113-87. (1951, c. 411, ss. 1, 2; 1971, c. 698, s. 1.)

§ 160A-189. Firearms. — A city may by ordinance regulate, restrict, or prohibit the discharge of firearms at any time or place within the city except when used in defense of person or property or pursuant to lawful directions of law-enforcement officers, and may regulate the display of firearms on the streets, sidewalks, alleys, or other public property. Nothing in this section shall be construed to limit a city's authority to take action under Article 36A of Chapter 14 of the General Statutes. (1971, c. 698, s. 1.)

Quoted in State v. Tanner, 25 N.C. App. 251, 212 S.E.2d 695 (1975).

§ 160A-190. Pellet guns. — A city may by ordinance regulate, restrict, or prohibit the sale, possession or use within the city of pellet guns or any other mechanism or device designed or used to project a missile by compressed air or mechanical action with less than deadly force. (1971, c. 698, s. 1.)

§ 160A-191. Limitations on enactment of Sunday-closing ordinances. — No ordinance regulating or prohibiting business activity on Sundays shall be enacted unless the council shall hold a public hearing on the proposed ordinance. Notice of the hearing shall be published once each week for four successive weeks before the date of the hearing. The notice shall fix the date, hour and place of the public hearing, and shall contain a statement of the council's intent to consider a Sunday-closing ordinance, the purpose for such an ordinance, and one or more reasons for its enactment. No ordinance shall be held invalid for failure to observe the procedural requirements for enactment imposed by this section unless the issue is joined in an appropriate proceeding initiated within 90 days after the date of final enactment. This section shall not apply to ordinances enacted pursuant to G.S. 18A-33(b). (1967, c. 1156, s. 1; 1971, c. 698, s. 1; 1973, c. 426, s. 27.)

Applied in State v. Underwood, 283 N.C. 154, 195 S.E.2d 489 (1973).

§ 160A-192. Regulation of trash and garbage. — (a) A city may by ordinance regulate the disposal of solid wastes within the city, and may require the owners or occupants of houses and other buildings to place solid waste in specified places or receptacles for the convenience of city collection and disposal, and may impose charges for such collection and disposal.

(b) Any two or more cities, counties, sanitary districts, or any combination thereof, are authorized to enter into contracts and agreements for the joint

ownership, contruction, operation and maintenance of solid waste collection and disposal systems and facilities. In operating such systems and facilities, the participating units may exercise jointly any power that they might exercise individually with respect to solid waste collection and disposal systems and facilities. (1917, c. 136, subch. 7, s. 3; C. S., s. 2799; 1971, c. 698, s. 1.)

Editor's Note. — Many of the cases and opinion of the Attorney General cited in the following note were decided or issued under former similar provisions.

Opinions of Attorney General. — Mr. E.A. Parker, Benton Town Attorney, 40 N.C.A.G. 476 (1969).

Garbage removal by the municipality is a governmental function. McCombs v. City of Asheboro, 6 N.C. App. 234, 170 S.E.2d 169 (1969).

The fact that the city is permitted to charge the cost of a service does not change its act from a governmental function to a business or profit, or affect its liability for the negligent acts of its agents or employees therein. James v. City of Charlotte, 183 N.C. 630, 112 S.E. 423 (1922).

The collection, removal and disposition of garbage by a municipality within its territorial limits constitutes a governmental function, and there can be no recovery for wrongful death or personal injury against a municipality for negligent acts of omission or commission of its agents or servants while engaged in this governmental function. Koontz v. City of Winston-Salem, 280 N.C. 513, 186 S.E.2d 897 (1972).

Collection and Disposal of Waste Varies between Municipalities and Counties. — The problem of the collection and disposal of waste of every sort, kind and description within the congested confines of municipalities obviously varies considerably from that in more rural and less congested counties. Lafayette Transp. Serv., Inc. v. County of Robeson, 17 N.C. App. 210, 193 S.E.2d 464 (1972), aff'd, 283 N.C. 494, 196 S.E.2d 770 (1973).

The legislature has recognized this difference by authorizing municipalities to enact ordinances for the collection and disposal of "solid wastes," while it has authorized counties to regulate only the collection and disposal of "garbage." Lafayette Transp. Serv., Inc. v. County of Robeson, 17 N.C. App. 210, 193 S.E.2d 464 (1972), aff'd, 283 N.C. 494, 196 S.E.2d 770 (1973).

Landfill Operation Is Governmental Function. — A landfill operation by a municipality for the purpose of disposing of garbage collected within its territorial limits is a governmental function. Koontz v. City of Winston-Salem, 280 N.C. 513, 186 S.E.2d 897 (1972).

But Operation of Landfill Pursuant to Contract Was Proprietary Function. — A city was engaged in a proprietary function in operating a landfill for the disposal of garbage where the city had contracted with the county to dispose of county garbage for a fee, since (1) the city received special corporate benefit by use of the contract rather than the provisions of § 160A-193 for protection against accumulated garbage and refuse within a mile of its corporate limits, and (2) the revenues received by the city under its contract with the county amounted to more than incidental income; consequently, the city was not protected by the doctrine of governmental immunity in actions for wrongful death and personal injuries allegedly resulting from an explosion of accumulated methane gas which had been generated in and released from the city's landfill operation. Koontz v. City of Winston-Salem, 280 N.C. 513, 186 S.E.2d 897 (1972).

A municipality is liable for a taking or damaging of property resulting from the creation or maintenance of a nuisance growing out of the disposal of garbage. Koontz v. City of Winston-Salem, 280 N.C. 513, 186 S.E.2d 897 (1972).

City Not Liable for Injury to Employee. — An incinerator operated by a city for the burning of its garbage comes within the authority conferred upon it by statute and, its operation being a purely governmental function, exercised as a local agency of State government, the city is not liable for an injury caused by defect therein to an employee, in the absence of statutory provision to the contrary. Scales v. City of Winston-Salem, 189 N.C. 469, 127 S.E. 543 (1925).

§ 160A-193. Abatement of public health nuisances. — A city shall have authority to summarily remove, abate, or remedy everything in the city limits, or within one mile thereof, that is dangerous or prejudicial to the public health. The expense of the action shall be paid by the person in default, and, if not paid, shall be a lien upon the land or premises where the trouble arose, and shall be collected as unpaid taxes. (1917, c. 136, subch. 7, s. 4; C. S., s. 2800; 1971, c. 698, s. 1.)

Contract May Extend Limits of Protection. — By use of a contract between a county and a city, rather than the provisions of this section, a city can extend its protection against accumulated garbage and refuse for more than one mile from its territorial limits. Koontz v. City of Winston-Salem, 280 N.C. 513, 186 S.E.2d 897 (1972).

Cited in Stanley v. Department of Conservation & Dev., 284 N.C. 15, 199 S.E.2d 641 (1973).

§ 160A-194. Regulating and licensing businesses, trades, etc. — A city may by ordinance, subject to the general law of the State, regulate and license occupations, businesses, trades, professions, and forms of amusement or entertainment and prohibit those that may be inimical to the public health, welfare, safety, order, or convenience. In licensing trades, occupations, and professions, the city may, consistent with the general law of the State, require applicants for licenses to be examined and charge a reasonable fee therefor. Nothing in this section shall impair the city's power to levy privilege license taxes on occupations, businesses, trades, professions, and other activities pursuant to G.S. 160A-211.

Nothing in this section shall authorize a city to examine or license a person holding a license issued by an occupational licensing board of this State as to the profession or trade that he has been licensed to practice or pursue by the State. (1971, c. 698, s. 1.)

Quoted in Smith v. Keator, 285 N.C. 530, 206 S.E.2d 203 (1974).

§ 160A-195. Regulating speed of trains. — A city may by ordinance regulate the speed at which railroad trains may be operated within the corporate limits. (1973, c. 426, s. 28.)

§§ 160A-196 to 160A-205: Reserved for future codification purposes.

ARTICLE 9.

Taxation.

§ 160A-206. General power to impose taxes. — A city shall have power to impose taxes only as specifically authorized by act of the General Assembly. Except when the statute authorizing a tax provides for penalties and interest, the power to impose a tax shall include the power to impose reasonable penalties for failure to declare tax liability, if required, or to impose penalties or interest for failure to pay taxes lawfully due within the time prescribed by law or ordinance. The power to impose a tax shall also include the power to provide for its administration in a manner not inconsistent with the statute authorizing the tax. (1971, c. 698, s. 1.)

Editor's Note. — The cases cited in the following note were decided under former statutory provisions.

Taxes on Lottery Applied Strictly. — A city having power to levy a heavy tax on "gift enterprises" must restrict this tax to enterprises that are of a lottery nature. A dealer in trading stamps cannot be taxed, for the tax cannot be applied to a business merely because of its peculiarity. City of Winston v. Beeson, 135 N.C. 271, 47 S.E. 457 (1904).

Power to Appoint Special Tax Collector. — Whenever the authorities of a town shall be commanded to levy and collect taxes they may appoint a special tax collector to collect the same. But this power to appoint such a collector is additional, and does not abridge their right to require the collection to be made by the regular officer appointed for that purpose. Webb v. Town of Beaufort, 88 N.C. 496 (1883).

Recovery of Excess Tax. — In order to recover money paid a municipality as a license tax in excess of the amount the town was

lawfully authorized to collect, and in the absence of statutory regulations, or under the common law, it is necessary that the one so paying should have done so under protest at the time or under circumstances of duress or such as would endanger his person or property; and where the payment has been voluntarily made, the action may not be successfully maintained. Blackwell v. City of Gastonia, 181 N.C. 378, 107 S.E. 218 (1921).

§ 160A-207. Remedies for collecting taxes. — In addition to any other remedies provided by law, the remedies of levy, garnishment, and attachment shall be available for collecting any city tax under the rules and procedures prescribed by the Machinery Act for the enforcement of tax liability against personal property, except that:

(1) The remedies shall become available on the due date of the tax and not before that time;

(2) Rules dependent on the existence of a lien against real property for the same tax shall not apply; and

(3) The lien acquired by levy, garnishment, or attachment shall be inferior to any prior or simultaneous lien for property taxes acquired under the Machinery Act. (1971, c. 698, s. 1; 1973, c. 426, s. 29.)

§ 160A-208. Continuing taxes. — Except for taxes levied on property under the Machinery Act, a city may impose an authorized tax by a permanent ordinance that shall stand from year to year until amended or repealed, and it shall not be necessary to reimpose the tax in each annual budget ordinance. (1971, c. 698, s. 1; 1973, c. 426, s. 30.)

§ 160A-209. Property taxes. — (a) Pursuant to Article V, Sec. 2(5) of the Constitution of North Carolina, the General Assembly confers upon each city in this State the power to levy, within the limitations set out in this section, taxes on property having a situs within the city under the rules and according to the procedures prescribed in the Machinery Act (Chapter 105, Subchapter II).

(b) Each city may levy property taxes without restriction as to rate or amount for the following purposes:

(1) Debt Service. — To pay the principal of and interest on all general obligation bonds and notes of the city.

(2) Deficits. — To supply an unforeseen deficiency in the revenue (other than revenues of any of the enterprises listed in G.S. 160A-311), when revenues actually collected or received fall below revenue estimates made in good faith in accordance with the Local Government Budget and Fiscal Control Act.

(3) Civil Disorders. — To meet the cost of additional law-enforcement personnel and equipment that may be required to suppress riots or other civil disorders involving an extraordinary breach of law and order within the jurisdiction of the city.

(c) Each city may levy property taxes for one or more of the following purposes subject to the rate limitation set out in subsection (d):

(1) Administration. — To provide for the general administration of the city through the city council, the office of the city manager, the office of the city budget officer, the office of the city finance officer, the office of the city tax collector, the city purchasing agent, the city attorney, and for all other general administrative costs not allocated to a particular board, commission, office, agency, or activity.

(2) Air Pollution. — To maintain and administer air pollution control programs.

(3) Airports. — To establish and maintain airports and related aeronautical facilities.

(4) Ambulance Service. — To provide ambulance services, rescue squads, and other emergency medical services.

(5) Animal Protection and Control. — To provide animal protection and control programs.
(6) Auditoriums, Coliseums, and Convention Centers. — To provide public auditoriums, coliseums, and convention centers.
(7) Beach Erosion and Natural Disasters. — To provide for shoreline protection, beach erosion control and flood and hurricane protection.
(8) Cemeteries. — To provide for cemeteries.
(9) Civil Defense. — To provide for civil defense programs.
(10) Debts and Judgments. — To pay and discharge any valid debt of the city or any judgment lodged against it, other than debts or judgments evidenced by or based on bonds or notes.
(11) Elections. — To provide for all city elections and referendums.
(12) Electric Power. — To provide electric power generation, transmission, and distribution services.
(13) Fire Protection. — To provide fire protection services and fire prevention programs.
(14) Gas. — To provide natural gas transmission and distribution services.
(15) Historic Preservation. — To undertake historic preservation programs and projects.
(16) Human Relations. — To undertake human relations programs.
(17) Hospitals. — To establish, support and maintain public hospitals and clinics, and other related health programs and facilities, and to aid any private, nonprofit hospital, clinic, related facility, or other health program or facility.
(18) Jails. — To provide for the operation of a jail and other local confinement facilities.
(19) Joint Undertakings. — To cooperate with any other county, city, or political subdivision of the State in providing any of the functions, services, or activities listed in this subsection.
(20) Libraries. — To establish amd maintain public libraries.
(21) Mosquito Control.
(22) Off-Street Parking. — To provide off-street lots and garages for the parking and storage of motor vehicles.
(23) Open Space. — To acquire open space land and easements in accordance with Article 19, Part 4, of this Chapter.
(24) Parks and Recreation. — To establish, support and maintain public parks and programs of supervised recreation.
(25) Planning. — To provide for a program of planning and regulation of development in accordance with Article 19 of this Chapter.
(26) Police. — To provide for law enforcement.
(27) Ports and Harbors. — To participate in programs with the North Carolina Ports Authority and to provide for harbor masters.
(28) Sewage. — To provide sewage collection and treatment services.
(29) Solid Waste. — To provide solid waste collection and disposal services, and to acquire and operate landfills.
(30) Streets. — To provide for the public streets, sidewalks, and bridges of the city.
(31) Traffic Control and On-Street Parking. — To provide for the regulation of vehicular and pedestrian traffic within the city, and for the parking of motor vehicles on the public streets.
(32) Water. — To provide water supply and distribution services.
(33) Water Resources. — To participate in federal water resources development projects.
(34) Watershed Improvement. — To undertake watershed improvement projects.

(d) Property taxes may be levied for one or more of the purposes listed in subsection (c) up to a combined rate of one dollar and fifty cents ($1.50) on the one hundred dollars' ($100.00) appraised value of property subject to taxation.

(e) With an approving vote of the people, any city may levy property taxes for any purpose for which the city is authorized by its charter or general law to appropriate money. Any property tax levy approved by a vote of the people shall not be counted for purposes of the rate limitation imposed in subsection (d).

The city council may call a referendum on approval of a property tax levy. The referendum may be held at the same time as any other city referendum or city election, but may not be otherwise held (i) on the day of any federal, State, district, or county election already validly called or scheduled by law at the time the tax referendum is called, or (ii) within the period of time beginning 30 days before and ending 10 days after the day of any other city referendum or city election already validly called or scheduled by law at the time the tax referendum is called. The referendum shall be conducted by the same board of elections that conducts regular city elections. The city clerk shall publish a notice of the referendum at least twice. The first publication shall be not less than 14 days and the second publication not less than seven days before the last day on which voters may register for the referendum. The notice shall state the date of the referendum, the purpose for which it is being held, and a statement as to the last day for registration for the referendum under the election laws then in effect.

The proposition submitted to the voters shall be substantially in one of the following forms:

(1) Shall the City/Town of . . . . . be authorized to levy annually a property tax at an effective rate not in excess of . . . . . cents on the one hundred dollars ($100.00) value of property subject to taxation for the purpose of . . . . . ?

(2) Shall the City/Town of . . . . . be authorized to levy annually a property tax at a rate not in excess of that which will produce $ . . . . . for the purpose of . . . . . ?

(3) Shall the City/Town of . . . . . be authorized to levy annually a property tax without restriction as to rate or amount for the purpose of . . . . . ?

If a majority of those participating in the referendum approve the proposition, the city council may proceed to levy annually a property tax within the limitations (if any) described in the proposition. Unless otherwise provided in the proposition submitted to the voters, a vote on a property tax levy not to exceed a specified rate per one hundred dollars ($100.00) value of property subject to taxation is a vote on an effective rate per one hundred dollars ($100.00) of appraised value of property before the application of any assessment ratio.

The board of elections shall canvass the referendum and certify the results to the city council. The council shall then certify and declare the result of the referendum and shall publish a statement of the result once, with the following statement appended: "Any action or proceeding challenging the regularity or validity of this tax referendum must be begun within 30 days after (date of publication)." The statement of results shall be filed in the clerk's office and inserted in the minutes of the council.

Any action or proceeding in any court challenging the regularity or validity of a tax referendum must be begun within 30 days after the publication of the results of the referendum. After the expiration of this period of limitation, no right of action or defense based upon the invalidity of or any irregularity in the referendum shall be asserted, nor shall the validity of the referendum be open to question in any court upon any ground whatever, except in an action or proceeding begun within the period of limitation prescribed herein.

Except for tax referendums on functions not included in subsection (c) of this section, any referendum held before July 1, 1973, on the levy of property taxes is not valid for the purposes of this subsection. Cities in which such referendums have been held may support programs formerly supported by voted property taxes within the general rate limitations set out in subsection (d) at any appropriate level and are not subject to the former voted rate limitation.

(f) With an approving vote of the people, any city may increase the property tax rate limitation imposed in subsection (c) and may call a referendum for that purpose. The referendum may be held at the same time as any other city referendum or election, but may not be otherwise held (i) on the day of any federal, State, district, or county election, or (ii) within the period of time beginning 30 days before and ending 30 days after the day of any other city referendum or city election. The election shall be conducted by the same board of elections that conducts regular city elections.

The proposition submitted to the voters shall be substantially in the following form: "Shall the effective property tax rate limitation applicable to the City/Town of . . . . . be increased from . . . . . on the one hundred dollars ($100.00) value of property subject to taxation to . . . . . on the one hundred dollars ($100.00) value of property subject to taxation?"

If a majority of those participating in the referendum approve the proposition, the rate limitation imposed in subsection (c) shall be increased for the city.

(g) With respect to any of the categories listed in subsections (b) and (c) of this section, the city may provide the necessary personnel, land, buildings, equipment, supplies, and financial support from property tax revenues for the program, function, or service.

(h) This section does not authorize any city to undertake any program, function, joint undertaking, or service not otherwise authorized by law. It is intended only to authorize the levy of property taxes within the limitations set out herein to finance programs, functions, or services authorized by other portions of the General Statutes or by city charters. (1917, c. 138, s. 37; 1919, c. 178, s. 3(37); C. S., s. 2963; 1921, c. 8, s. 1; Ex. Sess. 1921, c. 106, s. 1; 1947, c. 506; 1959, c. 1250, s. 3; 1971, c. 698, s. 1; 1973, c. 426, s. 31; c. 803, s. 2; 1975, c. 664, s. 7.)

Editor's Note. — The 1975 amendment deleted "effective" following "up to a combined" in the first sentence of subsection (d) and deleted the second sentence of that subsection, which read "To find the actual rate limit for a particular city, divide the effective rate limit of one dollar and fifty cents ($1.50) by the county assessment ratio."

The word "property" includes moneys, credits, investments, and other choses in action. Redmond v. Commissioners of Town of Tarboro, 106 N.C. 122, 10 S.E. 845 (1890) (decided under former statutory provisions).

§ 160A-210. Capitation tax. — For the fiscal year 1971-1972, a city shall have power to levy a capitation tax not to exceed one dollar ($1.00) on persons subject to the county capitation tax. From and after July 1, 1972, cities may not levy capitation taxes. (R. C., c. 111, s. 13; 1862, c. 51; Code, s. 3800; Rev., s. 2924; C. S., s. 2677; 1949, c. 933; 1971, c. 698, s. 1.)

§ 160A-211. Privilege license taxes. — Except as otherwise provided by law, a city shall have power to levy privilege license taxes on all trades, occupations, professions, businesses, and franchises carried on within the city. (R. C., c. 111, s. 13; 1862, c. 51; Code, s. 3800; Rev., s. 2924; C. S., s. 2677; 1949, c. 933; 1971, c. 698, s. 1.)

Editor's Note. — The cases and opinions of the Attorney General cited in the following note were decided or issued under former similar statutory provisions.

Taxes on Trades and Professions. — Since the enactment of provisions similar to this section, taxes laid upon trades and professions under the name of privilege taxes have been laid expressly for revenue. State v. Irvin, 12¢ N.C. 989, 35 S.E. 430 (1900).

The power to levy a tax on all trades includes "any employment or business embarked into for gain or profit." Lenoir Drug Co. v. Town of Lenoir, 160 N.C. 571, 76 S.E. 480 (1912).

Unless inconsistent with a special law or charter of a city a tax may be levied on a person engaging in any trade within the city. Guano Co. v. Town of Tarboro, 126 N.C. 68, 35 S.E. 231 (1900).

The charter of a city giving it certain powers in respect to the levying of franchise taxes on trades and professions, etc., and the general statute will be construed together in determining the legislative grant of power to the municipality to levy taxes of this class. Hilton v. Harris, 207 N.C. 465, 177 S.E. 411 (1934); State v. Bridgers, 211 N.C. 235, 189 S.E. 869 (1937).

Classification of Trades and Professions for Taxation. — A municipal corporation is empowered to tax trades or professions carried on or enjoyed within the city, unless otherwise provided by law, but its classification of trades and professions for taxation must be based upon reasonable distinctions and all persons similarly situated must be treated alike. Kenny Co. v. Brevard, 217 N.C. 269, 7 S.E.2d 542 (1940).

The law of uniformity does not prohibit the classification by the municipality of dealers in a particular kind of merchandise separately from those whose business it is to sell other articles falling within the same generic term. Rosenbaum v. City of New Bern, 118 N.C. 83, 24 S.E. 1 (1896).

But an ordinance requiring a license of livery men, and providing that it shall include any persons making contract for hire in town, or "any person carrying any person with a vehicle out of town for hire," is void as being unreasonable. Town of Plymouth v. Cooper, 135 N.C. 1, 47 S.E. 129 (1904).

Tax on Firm Delivering in City. — Construing the charter of a city in pari materia with the general statute, the city is given power to tax a firm outside the city, but which delivers products inside the city to customers procured by its salesman, and collects for its goods upon delivery, such trade being "carried on or enjoyed within the city." Hilton v. Harris, 207 N.C. 465, 177 S.E. 411 (1934).

A manufacturer of fertilizers maintaining its sales department in another state from which sales are exclusively made for fertilizer stored for distribution only in a city in this State, is liable under an ordinance of the city levying a tax upon callings and professions, naming among others "fertilizer manufacturers' agents or dealers," the tax being for the protection afforded by the city in the exercise of such occupation, and the profits derived therefrom. Guano Co. v. City of New Bern, 158 N.C. 354, 74 S.E. 2 (1912).

Privilege License Taxes on Out-of-Town Beer Wholesaler. — See opinion of Attorney General to Mrs. Mary W. Moss, Clerk and Tax Collector, Town of Creedmoor, 40 N.C.A.G. 864 (1970).

Municipality May Levy Privilege License Tax on Court Reporters. — See opinion of Attorney General to Mr. William I. Thornton, Jr., Assistant Greensboro City Attorney, 41 N.C.A.G. 104 (1970).

Limitation on License Tax on Use of Motor Vehicle. — Section 20-97 expressly prohibits a municipality from levying a license or privilege tax in excess of $1.00 upon the use of any motor vehicle licensed by the State, and must be construed with and operate as an exception to, and limitation upon the general power to levy license and privilege taxes upon businesses, trades, and professions granted by charter and general statute, and provisions of a municipal ordinance imposing a license tax upon the operation of passenger vehicles for hire in addition to the $1.00 theretofore imposed by it upon motor vehicles generally, is void, nor may the additional municipal tax be sustained upon the theory that it is a tax upon the business of operating a motor vehicle for hire rather than ownership of the vehicle, since the word "business" and the word "use" as used in the section means the same thing. Cox v. Brown, 218 N.C. 350, 11 S.E.2d 152 (1940).

§ 160A-212. Animal taxes. — A city shall have power to levy an annual license tax on the privilege of keeping any domestic animal, including dogs and cats, within the city. This section shall not limit the city's authority to enact ordinances under G.S. 160A-186. (R. C., c. 111, s. 13; 1862, c. 51; Code, s. 3800; Rev., s. 2924; C. S., s. 2677; 1949, c. 933; 1971, c. 698, s. 1.)

Tax Is on Privilege of Keeping Dog. — Although a dog is property, a dog tax is not directly on the dog as property but is upon the privilege of keeping a dog. Mowery v. Town of Salisbury, 82 N.C. 175 (1880) (decided under former similar provisions).

§ 160A-213. Motor vehicle taxes. — A city may impose an annual license tax on motor vehicles as permitted by G.S. 20-97. (1971, c. 698, s. 1.)

§ 160A-214. Cable television franchise tax. — A city may impose an annual franchise tax on cable television companies franchised under G.S. 160A-319 to operate within the city. (1971, c. 698, s. 1; 1973, c. 426, s. 32.)

§ 160A-215: Reserved for future codification purposes.

ARTICLE 10.

Special Assessments.

§ 160A-216. Authority to make special assessments. — Any city is authorized to make special assessments against benefited property within its corporate limits for:

(1) Constructing, reconstructing, paving, widening, installing curbs and gutters, and otherwise building and improving streets;
(2) Constructing, reconstructing, paving, widening, and otherwise building or improving sidewalks in any public street;
(3) Constructing, reconstructing, extending, and otherwise building or improving water systems;
(4) Constructing, reconstructing, extending, and otherwise building or improving sewage disposal systems; and
(5) Constructing, reconstructing, extending, and otherwise building or improving storm sewer and drainage systems. (1971, c. 698, s. 1; 1975, c. 664, s. 8.)

Editor's Note. — The 1975 amendment substituted "water systems" for "waterlines" in subdivision (3) and "sewage disposal systems" for "sanitary sewer lines" in subdivision (4).

Most of the cases and opinions of the Attorney General cited in the annotations to the sections of this Article were decided or issued under former §§ 160-78 to 160-105 or prior similar provisions.

For article, "Transferring North Carolina Real Estate, Part I: How the Present System Functions," see 49 N.C.L. Rev. 413 (1971).

Ownership of Street Prerequisite to Assessment for Improvement. — The ownership by the city of a street is a prerequisite to the power of the city to levy an assessment for street improvements against abutting owners thereon. Efird v. City of Winston-Salem, 199 N.C. 33, 153 S.E. 632 (1930).

Laws Construed Separately. — The general statutes authorizing cities and towns to issue bonds and assess abutting lands for improving and paving streets, and not requiring that the questions be submitted to the voters, are additional and independent of special or local laws, and where the latter required the question to be first submitted to the voters for their approval, and these requirements have been fully met, under the private act, the transactions thereunder complete and their validity unquestioned, a railroad company may not resist an assessment made under the general law, upon the ground that the provisions of the private acts, requiring the approval of the voters, control the question of the validity of the assessments. City of Kinston v. Atlantic & N.C.R.R., 183 N.C. 14, 110 S.E. 645 (1922). See § 160A-3.

In case a special or local law is invalid, the general statutes may be followed in making local improvements. But their provisions must be complied with. Cottrell v. Town of Lenoir, 173 N.C. 138, 91 S.E. 827 (1917).

Power to Impose Assessments within Right of Taxation. — The power to impose assessments upon owners whose lands abut upon the streets of a city to be improved, comes within the sovereign right of taxation, and no license, permit, or franchise from the legislature or a municipal board will be construed to establish an exemption from the proper exercise of this power, or in derogation of it, unless these bodies are acting clearly within their authority, and the grant itself is in terms so clear and explicit as to be free from substantial doubt. City of Durham v. Durham Pub. Serv. Co., 182 N.C. 333, 109 S.E. 40 (1921).

School Property Held Subject to Assessment. — Lands owned by "The School Committee of Raleigh Township, Wake County," and used exclusively for public school purposes, were held liable for assessment for street improvements made by the City of Raleigh. City

of Raleigh v. Raleigh City Administrative Unit, 223 N.C. 316, 26 S.E.2d 591 (1943).

Also Public Parks, etc. — In the absence of constitutional or statutory provision to the contrary, the public property of a municipality, such as parks, etc., is subject to assessment for local improvements of its streets, and when there is no provision exempting them, a public park of a city is included within the intent and meaning of Laws 1915, Chapter 56, providing that lands abutting on a street to be paved or improved should be assessed for such improvements to the extent of the respective frontage of the lots thereon, in a certain proportionate part of the cost, by the "front foot" rule. Town of Tarboro v. Forbes, 185 N.C. 59, 116 S.E. 81 (1923).

Interference by Courts. — Where an act allows assessments to be made by a city on property abutting on a street for pavement or improvements thereon, the legislative declaration on the subject is conclusive as to the necessity and benefit of the proposed improvements, and in applying the principle and estimating the amount as against the owners, individual or corporate, the court may interfere only in case of palpable and gross abuse. Kinston v. Atlantic & N.C.R.R., 183 N.C. 14, 110 S.E. 645 (1922).

§ 160A-217. Petition for street or sidewalk improvements. — (a) A city shall have no power to levy special assessments for street or sidewalk improvements unless it receives a petition for the improvements signed by at least a majority in number of the owners of property to be assessed, who must represent at least a majority of all the lineal feet of frontage of the lands abutting on the street or portion thereof to be improved. Unless the petition specifies another percentage, not more than fifty percent (50%) of the cost of the improvement may be assessed (not including the cost of improvements made at street intersections).

(b) Property owned by the United States shall not be included in determining the lineal feet of frontage on the improvement, nor shall the United States be included in determining the number of owners of property abutting the improvement. Property owned by the State of North Carolina shall be included in determining frontage and the number of owners only if the State has consented to assessment in the manner provided in G.S. 160A-221. Property owned by railroad companies shall be included in determining frontage and the number of owners to the extent that the property is subject to assessment under G.S. 160A-222. Property owned by railroad companies that is not subject to assessment shall not be included in determining frontage and the number of owners. If it is necessary to exclude property owned by the United States, the State of North Carolina, or a railroad company in order to obtain a valid petition under subsection (a), not more than fifty percent (50%) of the cost (not including the cost of improvement at street intersections) may be assessed unless all of the owners subject to assessment agree to a higher percentage.

(c) No right of action or defense asserting the invalidity of street or sidewalk assessments on grounds that the city did not comply with this section in securing a valid petition shall be asserted except in an action or proceeding begun within 90 days after publication of the notice of adoption of the preliminary assessment resolution. (1915, c. 56, ss. 4, 5; C. S., ss. 2706, 2707; 1955, c. 675; 1963, c. 1000, s. 1; 1971, c. 698, s. 1; 1973, c. 426, s. 33.)

Cross Reference. — See Editor's note to § 160A-216.

Petition Necessary. — An assessment for widening a street under contract with the Highway Commission (now Board of Transportation), without petition of a majority of the owners is invalid. Sechriest v. City of Thomasville, 202 N.C. 108, 162 S.E. 212 (1932).

When City Owns Part of Abutting Land. — A town is subject to assessment on its abutting property, and the rule of a majority of lineal feet and number of owners will apply just the same when a city owns a part of the abutting land as any other time. And if the city fails to sign when its signature is necessary to have a majority of lineal feet, the assessment is a nullity. Town of Tarboro v. Forbes, 185 N.C. 59, 116 S.E. 81 (1923).

Sufficiency of Petition. — In City of Tarboro v. Forbes, 185 N.C. 59, 116 S.E. 81 (1923), it was held that where it appears upon the face of the petition, as a matter of law, that the signers of

the petition do not represent a majority of the lineal feet of the total frontage on the street, proposed to be improved, the determination of the governing body as to the sufficiency of the petition is not final or conclusive. Insofar as the sufficiency of the petition involves only questions of fact, the determination of the governing body, in the absence of fraud, and when acting in good faith, is final and conclusive. Gallimore v. City of Thomasville, 191 N.C. 648, 132 S.E. 657 (1926).

Sufficiency of Complaint Alleging Invalidity of Petition. — In an action to have an assessment levied against plaintiff's property declared invalid, a complaint alleging that only one of the signatures of abutting property owners to the petition for improvements was valid, without alleging that the assessment was based on the petition, what other signatures appeared on the petition or facts supporting the conclusion that the other signatures were invalid, was insufficient to state a cause of action, and demurrer to complaint was properly sustained. Broadway v. Town of Asheboro, 250 N.C. 232, 108 S.E.2d 441 (1959).

Approval of Petition Final. — Where the municipal authorities have approved the petition of owners of land abutting upon a street proposed to be improved in accordance with the statute, their approval and order for the improvements to be made is final, except where it appears from the face of the petition, as a matter of law, that the signers do not represent a majority of the owners or of the lineal feet required by statute. Jones v. City of Durham, 197 N.C. 127, 147 S.E. 824 (1929).

Procedure Must Fulfill Essential Requirements. — While a slight informality of procedure or a failure to observe a provision which is merely directory will not generally affect the validity of an assessment, it is nevertheless true that any substantial and material departure from the essential requirements of the law under which the improvement is made will render an assessment therefor invalid. Town of Tarboro v. Forbes, 185 N.C. 59, 116 S.E. 81 (1923).

Where levies are made without a petition, the assessments are invalid but not void, and the legislature has the power to validate the assessments by subsequent legislative act, the legislature having the power to authorize the assessments in the first instance. Crutchfield v. City of Thomasville, 205 N.C. 709, 172 S.E. 366 (1934).

Absence of Petition Cured by Legislation. — When improvements are made under an assessment, and there has been no petition as required by statute, the assessments are invalid. However, this defect may be cured by a validating act of the legislature although the act is retrospective. Holton v. Town of Mockville, 189 N.C. 144, 126 S.E. 326 (1925); Gallimore v. City of Thomasville, 191 N.C. 648, 132 S.E. 657 (1926).

The General Assembly having the power to confer upon the authorities of a municipal corporation power to improve its streets and sidewalks and to assess the owners of abutting property with a part of the cost of such improvements without a petition, as indicated by this section, has the power to validate proceedings for the improvement of streets and sidewalks which were begun and which have been concluded without an initial petition. Crutchfield v. City of Thomasville, 205 N.C. 709, 172 S.E. 366 (1934).

Improvement of Only One Side of Street. — An assessment levied for street improvements on abutting property owners is not void on the ground that the assessment was for improving only one side of a street. Town of Waxhaw v. S.A.L. Ry., 195 N.C. 550, 142 S.E. 761 (1928).

Signatures as Evidence of Agency. — Where the wife owned the locus in quo and the petition for public improvements was signed by the husband and by the wife, the signature of the wife as the owner of the property along with the signature of the husband is sufficient evidence to be submitted to the jury on the issue of whether the wife constituted her husband her agent to subsequently act for her in the premises, rendering the listing of the property in his name on the assessment roll, and the special assessment book, and the giving of the statutory notices to him, sufficient, thus rendering the lien against the property valid and enforceable as against her and as against her subsequent grantee. Town of Wadesboro v. Coxe, 218 N.C. 729, 12 S.E.2d 223 (1940).

Resolution as Evidence. — In an action by a municipality to enforce a lien for public improvements, objection that plaintiff failed to introduce in evidence the petition for improvements signed by the owners of a majority of the lineal feet frontage abutting the improvements was held untenable where the original resolution of the city introduced in evidence recited a proper petition and that it was duly certified by the clerk, since if such finding was erroneous, the remedy for correction was by appeal. Town of Asheboro v. Miller, 220 N.C. 298, 17 S.E.2d 105 (1941).

§ 160A-218. Basis for making assessments. — Assessments may be made on the basis of:

(1) The frontage abutting on the project, at an equal rate per foot of frontage, or

(2) The area of land served, or subject to being served, by the project, at an equal rate per unit of area, or

(3) The value added to the land served by the project, or subject to being served by it, being the difference between the appraised value of the land without improvements as shown on the tax records of the county, and the appraised value of the land with improvements according to the appraisal standards and rules adopted by the county at its last revaluation, at an equal rate per dollar of value added; or

(4) The number of lots served, or subject to being served, where the project involves extension of an existing system to a residential or commercial subdivision, at an equal rate per lot; or

(5) A combination of two or more of these bases.

Whenever the basis selected for assessment is either area or value added, the council may provide for the laying out of benefit zones according to the distance of benefited property from the project being undertaken, and may establish differing rates of assessment to apply uniformly throughout each benefit zone.

For each project, the council shall endeavor to establish an assessment method from among the bases set out in this section which will most accurately assess each lot or parcel of land according to the benefit conferred upon it by the project. The council's decision as to the method of assessment shall be final and conclusive and not subject to further review or challenge. (1971, c. 698, s. 1.)

Cross Reference. — See Editor's note to § 160A-216.

Assessments for Drains. — For constructing drains it is not necessary that the assessments be the same, for cost will be different because of difference in location and slope of the several lots. Gallimore v. Town of Thomasville, 191 N.C. 648, 132 S.E. 657 (1926).

§ 160A-219. Corner lot exemptions. — The council shall have authority to establish schedules of exemptions from assessments for corner lots when a project is undertaken along both sides of such lots. The schedules of exemptions shall be based on categories of land use (residential, commercial, industrial, or agricultural) and shall be uniform for each category. The schedule of exemptions may not provide exemption of more than seventy-five percent (75%) of the frontage of any side of a corner lot, or 150 feet, whichever is greater. (1971, c. 698, s. 1.)

§ 160A-220. Lands exempt from assessment. — No lands within a city, except as herein provided, shall be exempt from special assessments except lands belonging to the United States that are exempt under the provisions of federal statutes. (1971, c. 698, s. 1.)

Cross Reference. — See Editor's note to § 160A-216.

Charitable Corporation Not Exempt from Special Assessments. — See opinion of Attorney General to Dr. H. G. Jones, Director, Department of Archives and History, 40 N.C.A.G. 454 (1970).

§ 160A-221. Assessments against lands owned by the State. — When any city proposes to make local improvements that would benefit lands owned by the State of North Carolina or any board, agency, commission, or institution thereof, the council may request the Council of State to consent to special assessments against the property. The Council of State may authorize the Secretary of Administration to give consent for special assessments against State property, but the city may appeal to the Council of State if the Secretary of Administration refuses to give consent. When consent is given for special assessments against State lands, the Council of State may direct that the assessment be paid from the Contingency and Emergency Fund of the State of

North Carolina or from any other available funds. If consent to the assessment is refused, the state-owned property shall be exempt from assessment. (1971, c. 698, s. 1; 1975, c. 879, s. 46.)

Editor's Note. — The 1975 amendment substituted "Secretary of Administration" for "Director of Administration" in two places.

§ 160A-222. Assessments against railroads. — Assessments shall not be made against land owned, leased or controlled by a railroad company, except that if there is a building on the land, the portion of railroad property subject to assessment shall be a lot whose frontage equals the actual front footage occupied by the building plus 25 feet on each side thereof, but not more than the amount of land owned, leased, or controlled by the railroad. If a building is placed on land that would have been subject to assessment but for the limitations imposed by this section after an improvement is made, then the railroad company shall be subject to an assessment without interest on the same basis as if the building had been on the property when the improvement was made.

It is the intent of this section to make uniform the law concerning assessments against railroads. To this end, all provisions of law, whether general or local, in conflict with this section are repealed; and no local act taking effect on or after January 1, 1972, shall be construed to modify, amend, or repeal any portion of this section unless it shall specifically so provide by reference hereto. (1965, c. 839, s. 2; 1971, c. 698, s. 1.)

Editor's Note. — The cases cited in the following note were decided under former §§ 160-520 and 160-521.

Constitutionality. — This statute exempting railroad right-of-way property from assessment for local improvements is not unconstitutional on the ground it was not authorized by N.C. Const., Art. V, § 2, since those provisions deal with the power of taxation and not with assessments for local improvements. Southern Ry. v. City of Raleigh, 9 N.C. App. 305, 176 S.E.2d 21 (1970), aff'd, 277 N.C. 709, 178 S.E.2d 422 (1971).

Local assessments may be a species of tax but they are not taxes within the meaning of the term as generally understood in constitutional restrictions and exemptions. These assessments proceed upon the theory that when a local improvement enhances the value of neighboring property, it is reasonable and competent for the legislature to provide that such property shall pay for the improvement. Southern Ry. v. City of Raleigh, 277 N.C. 709, 178 S.E.2d 422 (1971).

The General Assembly did not act arbitrarily when, by enactment of former Article 42 of Chapter 160, it determined that such railroad right-of-way property was not benefited by and should not be assessed for the described local improvements. Southern Ry. v. City of Raleigh, 9 N.C. App. 305, 176 S.E.2d 21 (1970), aff'd, 277 N.C. 709, 178 S.E.2d 422 (1971).

Purpose of Section. — The only purpose of this section was to withdraw from municipalities the right to levy an assessment against vacant city lots over which railroads operate their trains. The language of this section is plain, and does not require interpretation. Southern Ry v. City of Raleigh, 277 N.C. 709, 178 S.E.2d 422 (1971).

Applicability. — The statute applies to prohibit a municipality from imposing an assessment for street paving on railroad right-of-way property on which no building is located. Southern Ry. v. City of Raleigh, 9 N.C. App. 305, 176 S.E.2d 21 (1970), aff'd, 277 N.C. 709, 178 S.E.2d 422 (1971).

The language employed by the legislature in the statute clearly manifests a legislative intent that it be of general application. Southern Ry. v. City of Raleigh, 9 N.C. App. 305, 176 S.E.2d 21 (1970), aff'd, 277 N.C. 709, 178 S.E.2d 422 (1971).

The legislature has the power to determine by statute what property is benefited by local improvements, and the legislative declaration on the subject, in the absence of arbitrary action, is conclusive. Southern Ry. v. City of Raleigh, 9 N.C. App. 305, 176 S.E.2d 21 (1970), aff'd, 277 N.C. 709, 178 S.E.2d 422 (1971).

Notwithstanding Provisions of Municipal Charter. — See Southern Ry. v. City of Raleigh, 9 N.C. App. 305, 176 S.E.2d 21 (1970), aff'd, 277 N.C. 709, 178 S.E.2d 422 (1971).

And Also Power to Determine What Property Is Not Benefited. — The right of the legislature to determine what property is

benefited by a street improvement includes the right to determine what property is not benefited thereby. The right to include involves the right to exclude, and the General Assembly by providing that a municipality shall not assess railroad right-of-way property for local improvement "unless there is a building on such right-of-way" acted within its power. Southern Ry. v. City of Raleigh, 277 N.C. 709, 178 S.E.2d 422 (1971).

A street pavement would increase the value of a building by adding to its availability for profitable uses, and the municipality may assess the cost of paving frontage occupied by a building. Southern Ry. v. City of Raleigh, 277 N.C. 709, 178 S.E.2d 422 (1971).

But Not Railroad Right-of-way. — A street pavement adjacent to a railroad right-of-way ordinarily would not increase the value of the right-of-way for railway purposes. Southern Ry. v. City of Raleigh, 277 N.C. 709, 178 S.E.2d 422 (1971).

§ 160A-223. Preliminary resolution; contents. — Whenever the council decides to finance a proposed project by special assessments, it shall first adopt a preliminary resolution that shall contain the following:

(1) A statement of intent to undertake the project;
(2) A general description of the nature and location of the project;
(3) A statement as to the proposed basis for making assessments, which shall include a general description of the boundaries of the area benefited if the basis of assessment is either area or value added;
(4) A statement as to the percentage of the cost of the work that is to be assessed;
(5) A statement as to which, if any, assessments shall be held in abeyance and for how long;
(6) A statement as to the proposed terms of payment of the assessment; and
(7) An order setting a time and place for a public hearing on all matters covered by the preliminary resolution which shall be not earlier than three weeks nor later than 10 weeks from the date of the adoption of the preliminary resolution. (1971, c. 698, s. 1.)

§ 160A-224. Notice of preliminary resolution. — At least 10 days before the date set for the public hearing, the council shall publish a notice that a preliminary assessment resolution has been adopted and that a public hearing will be held on it at a specified time and place. The notice shall generally describe the nature and location of the improvement. In addition, at least 10 days prior to the hearing, the council shall cause a copy of the preliminary resolution to be mailed to the owners, as shown on the county tax records, of all property subject to assessment if the project should be undertaken. The person designated to mail these resolutions shall file with the council a certificate showing that they were mailed by first-class mail and on what date. The certificate shall be conclusive as to compliance with the mailing provisions of this section in the absence of fraud. (1971, c. 698, s. 1.)

§ 160A-225. Hearing on preliminary resolution; assessment resolution. — At the public hearing, the council shall hear all interested persons who appear with respect to any matter covered by the preliminary resolution. After the public hearing, the council may adopt a resolution directing that the project or portions thereof be undertaken. The assessment resolution shall describe the project in general terms (which may be by reference to projects described in the preliminary resolution) and shall set forth the following:

(1) The basis on which the special assessments shall be levied, together with a general description of the boundaries of the area benefited if the basis of assessment is either area or value added;
(2) The percentage of the cost to be specially assessed;
(3) The terms of payment, including the conditions under which assessments are to be held in abeyance, if any.

The percentage of cost to be assessed may not be different from the percentage proposed, and the projects authorized may not be greater in scope than the projects described in the preliminary resolution. If the council decides that a different percentage of the cost should be assessed than that proposed in the preliminary resolution, or that any project should be enlarged, it shall adopt and advertise a new preliminary resolution as herein provided. (1915, c. 56, s. 6; C. S., s. 2708; 1971, c. 698, s. 1.)

§ 160A-226. Determination of costs. — When the project is complete, the council shall ascertain the total cost. In addition to construction costs, the cost of all necessary legal services, the amount of interest paid during construction, costs of rights-of-way, and the costs of publication of notices and resolutions may be included. The determination of the council as to the total cost of any project shall be conclusive. (1915, c. 56, s. 9; C. S., s. 2711; 1971, c. 698, s. 1.)

Local Modification. — City of Durham: 1973, c. 413; city of Salisbury: 1973, c. 190.

§ 160A-227. Preliminary assessment roll; publication. — When the total cost of a project has been determined, the council shall have a preliminary assessment roll prepared. The preliminary roll shall contain a brief description of each lot, parcel, or tract of land assessed, the basis for the assessment, the amount assessed against each, the terms of payment, and the name of the owner of each parcel of land as far as this can be ascertained from the county tax records. A map of the project on which is shown each parcel assessed with the basis of its assessment, the amount assessed against it, and the name of the owner, as far as this can be ascertained from the county tax records, shall be a sufficient assessment roll.

After the preliminary assessment roll has been completed, it shall be filed in the city clerk's office where it shall be available for public inspection. A notice of the completion of the assessment roll, setting forth in general terms a description of the project, noting the availability of the assessment roll in the clerk's office for inspection, and stating the time and place for a hearing on the preliminary assessment roll, shall be published at least 10 days before the date set for the hearing on the preliminary assessment roll. The council shall also cause a notice of the hearing on the preliminary assessment roll to be mailed to the owners of property listed thereon at least 10 days before the hearing. The notice mailed to each property owner shall give notice of the time and place of the hearing, shall note the availability of the preliminary assessment roll for inspection in the city clerk's office and shall state the amount of the assessment against the property of the owner as shown on the preliminary assessment roll. The person designated to mail these notices shall file with the council a certificate showing they were mailed by first-class mail and on what date. Such a certificate shall be conclusive as to compliance with the mailing provisions of this section in the absence of fraud. (1915, c. 56, s. 9; C. S., s. 2712; 1971, c. 698, s. 1.)

Cross Reference. — See Editor's note to § 160A-216.

Sufficiency of Description of Land. — The assessments made upon the lands of an owner adjoining a street improved by the authorities of a city or town, will not be declared invalid on the grounds of the insufficiency of description in the assessment roll at the suit of such property owners, when in substantial compliance with the statute. Vester v. Town of Nashville, 190 N.C. 265, 129 S.E. 593 (1925).

Map Sufficient Description. — A map made by the city engineer duly approved by the city commissioners is sufficient compliance with the requirements of the statute. Holton v. Town of Mockville, 189 N.C. 144, 126 S.E. 326 (1925).

Notice of Filing. — Where assessments have been imposed, it is presumed that the assessment roll was filed in the office of the

clerk of the municipality for inspection, and the statute gives notice that the roll was there and the amount assessed. Town of Wake Forest v. Holding, 206 N.C. 425, 174 S.E. 296 (1934).

Failure to Publish Notice of First Hearing. — Where notice of hearing on the confirmation of an assessment roll was not published, but on the date set for the hearing the municipal board met and adopted the required resolution in amplified form, fixed the time and place for hearing of objections, and notice of the hearing on the second date set was duly published, which hearing was duly had on that date, necessary corrections made, and the assessment roll as corrected duly approved and confirmed, it was held that the fact that notice of hearing on the first date set was not published as required was rendered immaterial. Town of Asheboro v. Miller, 220 N.C. 298, 17 S.E.2d 105 (1941).

§ 160A-228. Hearing on preliminary assessment roll; revision; confirmation; lien. — At the public hearing, which may be adjourned from time to time until all persons have had an opportunity to be heard, the council shall hear objections to the preliminary assessment roll from all interested persons who appear. Then or thereafter, the council shall annul, modify, or confirm the assessments, in whole or in part, either by confirming the preliminary assessments against any or all of the lots or parcels described in the preliminary assessment roll, or by canceling, increasing, or reducing them as may be proper in compliance with the basis of assessment. If any property is omitted from the preliminary assessment roll, the council may place it on the roll and levy the proper assessment. Whenever the council confirms assessments for any project, the city clerk shall enter in the minutes of the council the date, hour, and minute of confirmation. From and after the time of confirmation, the assessments shall be a lien on the property assessed of the same nature and to the same extent as the lien for county and city property taxes, according to the priorities set out in G.S. 160A-233(c). After the assessment roll is confirmed, a copy of it shall be delivered to the city tax collector for collection in the same manner as property taxes, except as herein provided. (1915, c. 56, s. 9; C. S., s. 2713; 1971, c. 698, s. 1; 1973, c. 426, s. 34.)

Cross Reference. — See Editor's note to § 160A-216.

Assessments Constitute Liens on Property. — Assessments made upon the property of the owner for street and sidewalk improvements by a town, and in all respects under the authority conferred on the municipality by statute, extending in partial payments over a designated period of time, are to be regarded in the nature of a statutory mortgage when due and payable, and constitute liens on the property within the warranty clause against encumbrances contained in a deed, and are recoverable in the grantee's action against the grantor to the extent he has been required to pay them. Coble v. Dick, 194 N.C. 732, 140 S.E. 745 (1927).

Within Meaning of Warranty against Encumbrances. — The lien for street assessments is an encumbrance within the meaning of the warranty clause against encumbrances contained in a deed. City of Winston-Salem v. Powell Paving Co., 7 F. Supp. 424 (M.D.N.C. 1934), citing Coble v. Dick, 194 N.C. 732, 140 S.E. 745 (1927).

Lien Amounts to Statutory Mortgage. — The lien given under this statute, when properly established, amounts to a statutory mortgage. City of Kinston v. Atlantic & N.C.R.R., 183 N.C. 14, 110 S.E. 645 (1922); Town of Saluda v. Polk County, 207 N.C. 180, 176 S.E. 298 (1934).

And Is Based on Theory of Special Benefit to Property. — The lien against property for street improvements is a lien in rem against the land itself, but it is not strictly a tax lien and is based upon the theory of special benefit to the property itself. Town of Saluda v. Polk County, 207 N.C. 180, 176 S.E. 298 (1934).

When Lien Attaches. — The lien for street assessments does not attach to land until confirmation of the assessments, and where such assessments are not confirmed by the governing body of the town until after the execution of a deed to the property, the subsequently attaching lien for the assessments does not violate the warranty and covenant in the deed, in the usual language, against encumbrances. Oliver v. Hecht, 207 N.C. 481, 177 S.E. 399 (1934).

Sufficiency of Compliance with Statute. — Where the property owner signs the petition and has notice that improvements are to be made, and notice that the assessment roll giving the amount of the assessment against his property has been filed in the office of the city clerk and accepts the benefits and pays installments of the assessments without objection, he ratifies same and the statute is sufficiently complied with.

Town of Wake Forest v. Holding, 206 N.C. 425, 174 S.E. 296 (1934).

Enforcement of Lien against Estate of Decedent. — An assessment made upon adjoining land for a street improvement by a town is a charge upon the land constituting a lien superior to all others and not enforceable against the personalty or other lands of the owner, and when the owner of land has been thus assessed, payable in installments, and he subsequently dies, it is not a debt of the deceased payable by his personal representative, but a charge against the land itself. The provisions of § 28A-19-6, as to the order of payment of debts of the deceased, has no application. Carawan v. Barnett, 197 N.C. 511, 149 S.E. 740 (1929). See City of Statesville v. Jenkins, 199 N.C. 159, 154 S.E. 15 (1930); City of High Point v. Brown, 206 N.C. 664, 175 S.E. 169 (1934); City of Winston-Salem v. Powell Paving Co., 7 F. Supp. 424 (M.D.N.C. 1934).

Statute of Limitations. — The assessment against abutting lands for street improvements is made a lien on the land superior to all other liens and encumbrances under this section, and the 10-year statute of limitation is applicable thereto and not the three-year statute. City of High Point v. Clinard, 204 N.C. 149, 167 S.E. 690 (1933).

§ 160A-229. Publication of notice of confirmation of assessment roll. — After the expiration of 20 days from the confirmation of the assessment roll, the city tax collector shall publish once a notice that the assessment roll has been confirmed, and that assessments may be paid without interest at any time before the expiration of 30 days from the date that the notice is published, and that if they are not paid within this time, all installments thereof shall bear interest as provided in G.S. 160A-233. (1971, c. 698, s. 1.)

§ 160A-230. Appeal to General Court of Justice. — If the owner of, or any person interested in, any lot or parcel of land against which an assessment is made is dissatisfied with the amount of the assessment, he may, within 10 days after the confirmation of the assessment roll, file a notice of appeal to the appropriate division of the General Court of Justice. He shall then have 20 days after the confirmation of the assessment roll to serve on the council or the city clerk a statement of facts upon which the appeal is based. The appeal shall be tried like other actions at law. (1915, c. 56, s. 9; C. S., s. 2714; 1971, c. 698, s. 1.)

Cross reference. — See Editor's note to § 160A-216.

Jurisdiction of Court is Derivative. — The jurisdiction of the court upon appeal from a levy of assessments for street improvements by the governing body of a town as provided by statute is entirely derivative, and where a town has no jurisdiction to condemn land the court on appeal likewise has no jurisdiction to do so. Atlantic Coast Line R.R. v. Town of Ahoskie, 207 N.C. 154, 176 S.E. 264 (1934).

Right of Appeal Makes Statute Constitutional. — The right of appeal to the courts being provided in case of dissatisfaction by an owner of land abutting on a street assessed by the governing body of a municipality for street improvement, the objection that the owner's property is taken for a public use in contravention of the due process clause of the Constitution is untenable. Leak v. Town of Wadesboro, 186 N.C. 683, 121 S.E. 12 (1923).

And Is Only Remedy of Abutting Owner. — In an action to enforce a lien for public improvements, a defendant who had notice and ample opportunity to be heard and to appeal from the order confirming the assessment roll, cannot impeach the validity of the ordinance or of the assessment for any alleged irregularities which are not jurisdictional. Town of Asheboro v. Miller, 220 N.C. 298, 17 S.E.2d 105 (1941).

While a petition is a prerequisite, it is not jurisdictional, and if the finding by the municipal board is erroneous, it should be corrected by appeal. Town of Asheboro v. Miller, 220 N.C. 298, 17 S.E.2d 105 (1941).

Appeal Is Not Limited to Amount of Assessment. — The statute does not limit the property owner's appeal from an assessment for public improvements solely to the amount to be charged against his land. Smith v. City of Rockingham, 268 N.C. 697, 151 S.E.2d 568 (1966).

Writ of Certiorari. — An abutting property owner who failed to appeal from a final order of the board of aldermen affirming the assessment roll was not entitled to a writ of certiorari where application for the writ was filed more than eight months after his time for appeal had expired. Sanford v. Southern Oil Co., 244 N.C. 388, 93 S.E.2d 560 (1956).

Injunctive Relief. — The remedy of abutting owners assessed for street improvements is given by the provisions for the right of appeal, and when no appeal has been taken and the work has been completed, injunctive relief against the collection of the assessments by the city will not lie. Jones v. City of Durham, 197 N.C. 127, 147 S.E. 824 (1929).

The owner of land abutting on a street the municipality proposes to improve has his remedy in objecting to the local assessment on his property because of the insufficiency of the petition, and he may not enjoin the issuance of bonds for this necessary expense on that ground when he has failed to pursue his statutory remedy. Brown v. Town of Hillsboro, 185 N.C. 368, 117 S.E. 41 (1923).

Estoppel to Assert Errors in Assessments. — Where the property owner failed to object and avail himself of the specific remedy for review and correction of the assessment, but made payments on the assessment, he is estopped to show error in the assessment. Town of Wake Forest v. Gulley, 213 N.C. 494, 196 S.E. 845 (1938).

Existence of Street May Be the Issue. — Under the provisions of this statute, it is necessary that there be an existing street in order for a valid assessment for improvements to be laid on the property of abutting owners, and this may be made an issue in an appeal under this section, and the adjoining owner may introduce his evidence to show to the contrary. Atlantic Coast Line R.R. v. Town of Ahoskie, 192 N.C. 258, 134 S.E. 653 (1926).

§ 160A-231. Reassessment. — The council shall have the power, when in its judgment any irregularity, omission, error or lack of jurisdiction in any of the proceedings related thereto, has occurred, to set aside the whole of any special assessment made by it and thereupon to make a reassessment. In that case, all additional interest paid, or to be paid, as a result of the delay in confirming the assessment shall be included as a part of the project cost. The proceeding shall, as far as practicable, in all respects take place as it had with the original assessments, and the reassessment shall have the same force as if it had originally been properly made. (1915, c. 56, s. 9; C. S., s. 2715; 1971, c. 698, s. 1.)

Cross Reference. — See Editor's note to § 160A-216.

When Section Not Applicable. — Where the board of aldermen grant a petition for street improvements requesting the assessment of a larger proportion of the costs of the improvements against the lots of land abutting directly thereon than is otherwise required by statute, after the confirmation of the assessment roll a subsequent board of aldermen is without power to grant a petition of the abutting landowners for a reduction of the assessment upon the ground alone that the amount of the assessments exceeded that which they had originally anticipated, and a suit by other taxpayers of the town to enjoin the granting of such petition is proper. McClester v. Town of China Grove, 196 N.C. 301, 145 S.E. 562 (1928).

An extension resolution providing a new series of installment payments does not invalidate the lien of a municipality for an assessment for public improvements where the sums of the new installments in the aggregate exceed the amount actually due at the time of the extension. Differences may be adjusted under the statute. City of Salisbury v. Arey, 224 N.C. 260, 29 S.E.2d 894 (1944).

§ 160A-232. Payment of assessments in cash or by installments. — The owners of assessed property shall have the option, within 30 days after the publication of the notice that the assessment roll has been confirmed, of paying the assessment either in cash or in not more than 10 annual installments, as may have been determined by the council in the resolution directing the project giving rise to the assessment to be undertaken. With respect to payment by installment, the council may provide

(1) That the first installment with interest shall become due and payable on the date when property taxes are due and payable, and one subsequent installment and interest shall be due and payable on the same date in each successive year until the assessment is paid in full, or

(2) That the first installment with interest shall become due and payable 60 days after the date that the assessment roll is confirmed, and one subsequent installment and interest shall be due and payable on the same day of the month in each successive year until the assessment is paid in full. (1915, c. 56, s. 10; C. S., s. 2716; 1971, c. 698, s. 1.)

§ 160A-233. Enforcement of assessments; interests; foreclosure; limitations. — (a) Any portion of an assessment that is not paid within 30 days after publication of the notice that the assessment roll has been confirmed shall bear interest until paid at a rate to be fixed in the assessment resolution but not more than eight percent (8%) per annum.

(b) If any installment of an assessment is not paid on or before the due date, all of the installments remaining unpaid shall immediately become due and payable, unless the council waives acceleration. The council may waive acceleration and permit the property owner to pay all installments in arrears together with interest due thereon and the cost to the city of attempting to obtain payment. If this is done, the remaining installments shall be reinstated so that they fall due as if there had been no default. Waiver of acceleration and reinstatement of future installments may be done at any time before foreclosure proceedings have been instituted.

(c) Assessment liens may be foreclosed under any procedure prescribed by law for the foreclosure of property tax liens, except that lien sales and lien sale certificates shall not be required, and foreclosure may be begun at any time after 30 days after the due date. The city shall not be entitled to a deficiency judgment in an action to foreclose an assessment lien. The lien of special assessments shall be inferior to all prior and subsequent liens for State, local, and federal taxes, and superior to all other liens.

(d) No city may maintain an action or proceeding to enforce any remedy for the foreclosure of special assessment liens unless the action or proceeding is begun within 10 years from the date that the assessment or the earliest installment thereof included in the action or proceeding became due. Acceleration of installments under subsection (b) shall not have the effect of shortening the time within which foreclosure may be begun, but in that event the statute of limitations shall continue to run as to each installment as if acceleration had not occurred. (1915, c. 56, s. 11; C. S., s. 2717; 1923, c. 87; 1929, c. 331, s. 1; 1971, c. 698, s. 1.)

Cross Reference. — See Editor's note to § 160A-216.

Effect of Option to Pay in Installments. — The provisions giving the property owner 30 days in which to pay assessments for local improvements, in cash without interest, or the election to pay the same in installments, are for the benefit of the property owner and, when exercised, become mandatory upon the municipality; but, when the property owner remains silent and neither pays in cash nor elects to pay in installments, the option passes to the municipality to foreclose or to collect in installments. City of Salisbury v. Arey, 224 N.C. 260, 29 S.E.2d 894 (1944).

Right to Declare All Installments Due. — The provision of this section, that upon failure to pay any installment when due, all installments remaining unpaid should at once become due and payable, gives the municipality the optional right to declare all installments due and payable upon default, and in the absence of its declaration to invoke the acceleration provision the statute of limitations will not begin to run against unpaid installments not then due. Town of Farmville v. Paylor, 208 N.C. 106, 179 S.E. 459 (1935). See City of Salisbury v. Arey, 224 N.C. 260, 29 S.E.2d 894 (1944).

Judgments for Installments. — Where the owner of land abutting on the street has refused to pay the assessments lawfully made on him for street improvements, a judgment allowing him to pay by installments may be entered. City of Durham v. Durham Pub. Serv. Co., 182 N.C. 333, 109 S.E. 40 (1921).

Interest Rate Is Prescribed. — The interest rate on street assessments is fixed by statute, and the courts are without authority at law or in equity to prescribe a lesser interest rate. Zebulon v. Dawson, 216 N.C. 520, 5 S.E.2d 535 (1939).

Lien Enforced by Decree of Sale. — See City of Kinston v. Atlantic & N.C.R.R., 183 N.C. 14,

110 S.E. 645 (1922); Town of Saluda v. Polk County, 207 N.C. 180, 176 S.E. 298 (1934).

Limitations of Actions. — In a suit to foreclose a statutory lien on abutting property, given a city for street improvements, all installments of the amounts assessed therefor which are 10 years overdue when action is brought are barred, and no part of the proceeds of sale can be applied to the payment of such installments. City of Raleigh v. Mechanics & Farmers Bank, 223 N.C. 286, 26 S.E.2d 573 (1943).

In this section the municipalities are expressly named in the statute of limitations. Therefore, an action to enforce the lien for public improvements, even though instituted under other provisions, is barred after 10 years from default in the payment of the assessments, or, if the assessments are payable in installments, each installment is barred after 10 years from default in payment of the same unless the time of payment has been extended as provided by law. City of Charlotte v. Kavanaugh, 221 N.C. 259, 20 S.E.2d 97 (1942).

Applied in City of Greensboro v. Harris, 27 N.C. App. 585, 219 S.E.2d 537 (1975).

§ 160A-234. Assessments on property held by tenancy for life or years. — (a) Assessments upon real property in the possession or enjoyment of a tenant for life, or a tenant for a term of years, shall be paid pro rata by the tenant and the remaindermen after the life estate, or the owner in fee after the expiration of the tenancy for years according to their respective interests in the land calculated as provided in G.S. 37-13.

(b) If any person having an interest in land held by tenancy for life or years shall pay more than his pro rata share of any assessment against the property, he shall have the right to maintain an action in the nature of a suit for contribution against the delinquent party to recover from him his pro rata share of the assessment, with interest thereon from the date of payment, and shall be subrogated to the right of the city to a lien on the property for the same. (1911, c. 7, ss. 1, 2, 3; C. S., ss. 2718, 2719, 2720; 1971, c. 698, s. 1.)

Editor's Note. — Section 37-13 cited in subsection (a) was repealed by Session Laws, c. 729, s. 3. See now §§ 37-16 through 37-40.

Assessments Not Preference against Estate of Deceased Life Tenant. — Since street and sidewalk assessments constitute a lien against the property not collectible out of other properties belonging to the owner, and since a life tenant is not liable for the whole assessment, being entitled to have it proportioned, upon the death of a life tenant such assessments made prior to his death do not constitute a preference against his estate payable in the third class of priority as a tax assessed on the estate prior to his death. Rigsbee v. Brogden, 209 N.C. 510, 184 S.E. 24 (1936) (decided under former similar provisions).

§ 160A-235. Lien in favor of a cotenant or joint owner paying special assessments. — Any one of several tenants in common, or joint tenants, or copartners shall have the right to pay the whole or any part of any special assessment levied against property held jointly or in common, and all sums by him so paid in excess of his share of the assessment, interests, costs, and amounts required for redemption, shall constitute a lien upon the shares of his cotenants or associates, which he may enforce in proceedings for partition, actual or by sale, or in any other appropriate judicial proceeding. The lien herein provided for shall not be effective against an innocent purchaser for value unless and until notice thereof is filed in the office of the clerk of superior court in the county in which the land lies and indexed and docketed in the same manner as other liens required by law to be filed in the clerk's office. (1935, c. 174; 1971, c. 698, s. 1.)

§ 160A-236. Apportionment of assessments. — When special assessments are made against property which has been or is about to be subdivided, the council may, with the consent of the owner of the property, apportion the assessment among the lots or tracts within the subdivision, or release certain lots or tracts from the assessments if, in the opinion of the council, some of the

lots or tracts in the subdivision are not benefited by the project. Upon an apportionment, each of the lots and tracts in the subdivision shall be released from the lien of the original assessment, and the portions of the original assessment assessed against each lot or tract shall have the same force and effect as the original assessment as to the particular lot or tract assessed. At the time of making an apportionment under this section, the council shall enter on its minutes a statement to the effect that the apportionment is made with the consent of the owners of the property affected, and this entry shall be conclusive in the absence of fraud. Reassessments made under this section may include past due installments of principal and interest as well as installments not then due, and any installments not then due shall fall due at the same dates as they would have under the original assessment. The council may delegate authority to make apportionment of assessments to the chief financial officer, but apportionments shall in all cases be reported to the council at its next regular meeting and entered in the minutes. (1929, c. 331, s. 1; 1935, c. 125; 1971, c. 698, s. 1.)

§ 160A-237. Authority to hold water and sewer assessments in abeyance. — The assessment resolution may provide that assessments levied under this Article for water or sewer improvements be held in abeyance without interest until improvements on the assessed property are actually connected to the water or sewer system for which the assessment was levied, or a date certain not more than 10 years from the date of confirmation of the assessment roll, whichever event first occurs. Upon termination of the period of abeyance, the assessment shall be paid in accordance with the terms set out in the assessment resolution. If assessments are to be held in abeyance, the assessment resolution shall classify the property assessed according to general land use, location with respect to the water or sewer system, or other relevant factors, and shall provide that the period of abeyance shall be the same for all assessed property in the same class.

All statutes of limitations are suspended during the time that any assessment is held in abeyance without interest. (1973, c. 426, s. 35.)

§ 160A-238. Authority to make assessments for beach erosion control and flood and hurricane protection works. — A city may make special assessments, according to the procedures of this Article, against benefited property within the city for all or part of the costs of acquiring, constructing, reconstructing, extending, or otherwise building or improving beach erosion control or flood and hurricane protection works. Assessments for these projects may be made on the basis of:

(1) The frontage abutting on the project, at an equal rate per foot of frontage; or
(2) The frontage abutting on a beach or shoreline protected or benefited by the project, at an equal rate per foot of frontage; or
(3) The area of land benefited by the project, at an equal rate per unit of area; or
(4) The valuation of land benefited by the project, being the value of the land without improvements as shown on the tax records of the county, at an equal rate per dollar of valuation; or
(5) A combination of two or more of these bases.

Whenever the basis selected for assessment is either area or valuation, the council shall provide for the laying out of one or more benefit zones according to the distance from the shoreline, the distance from the project, the elevation of the land, or other relevant factors. If more than one benefit zone is established, the council shall establish differing rates of assessment to apply uniformly throughout each benefit zone. (1973, c. 822, s. 7.)

§ 160A-239: Reserved for future codification purposes.

ARTICLE 11.

Eminent Domain.

§ 160A-240. Definitions. — As used in this Article, the following words and phrases have the meanings indicated unless the context clearly requires another meaning:

(1) "Condemnation" means the procedure prescribed by law for exercising the power of eminent domain.

(2) "Eminent domain" means the power to divest title from the owner of property and vest it in the possessor of the power against the will of the owner upon the payment of just compensation for the right, title, and interest divested.

(3) "Owner" includes the plural when appropriate and means any person holding a vested estate of inheritance in the property, a tenant for life or for years, tenants by the entirety, the holder of the equity of redemption under a mortgage, and the grantor and third-party beneficiary under a deed of trust. Unless otherwise provided, "owner" does not include persons holding liens, judgments, options, or any other encumbrances of record on the title to the property, or persons holding unvested future interests in the property.

(4) "Person" includes the plural when appropriate and means a natural person, association, partnership, corporation, the State of North Carolina, the United States of America, a body politic and corporate, and any other legal entity capable of owning or having any interest in property under the laws of North Carolina.

(5) "Property" means any right, title, or interest in land, including leases and options to buy or sell. "Property" also includes rights of access, rights-of-way, easements, water rights, air rights, and any other privilege or appurtenance in or to the possession, use, and enjoyment of land. (1971, c. 698, s. 1.)

Cross References. — As to application of this Article to condemnation by counties, see § 153A-159. As to proration of the tax liability of the owner of condemned land, see § 136-121.1.

Applicability of Article. — The provisions for condemnation by municipal corporations enacted by this Article are not applicable to proceedings pending on January 1, 1972. City of Kings Mountain v. Goforth, 283 N.C. 316, 196 S.E.2d 231 (1973).

§ 160A-241. Power of eminent domain conferred. — In addition to powers conferred by any other general law, charter, or local act, each city shall possess the power of eminent domain and may acquire by purchase or condemnation any property, either inside or outside the corporate limits, for the following purposes:

(1) Opening, widening, extending, or improving streets, alleys, sidewalks, and public wharves.

(2) Establishing, extending, enlarging, or improving any of the public enterprises listed in G.S. 160A-311.

(3) Establishing or enlarging parks, playgrounds, and other recreational facilities.

(4) Establishing, extending, enlarging, or improving storm sewer and drainage systems and works.

(5) Establishing, enlarging, or improving cemeteries.

(6) Constructing, enlarging, or improving city halls, fire stations, office buildings, and other buildings for use by any city department.

The power to acquire property by condemnation shall not depend on any prior effort to acquire the same property by grant or purchase, nor shall the power

to negotiate for the grant or purchase of property be impaired by initiation of condemnation proceedings for acquisition of the same property.

In exercising the power of eminent domain, a city may in its discretion use the procedures of Article 2 of Chapter 40 of the General Statutes, or the procedures of this Article, or the procedures of any other general law, charter, or local act applicable to the city. (1917, c. 136, subch. 4, s. 1; 1919, c. 262; C. S., ss. 2791, 2792; 1923, c. 181; 1961, c. 982; 1971, c. 698, s. 1; 1973, c. 426, s. 36.)

Local Modification. — City of Concord: 1975, c. 20; city of Kinston: 1975, c. 203; city of Statesville: 1975, c. 146; town of Bayboro: 1975, c. 20; town of Southern Pines: 1975, c. 498.

Editor's Note. — Many of the cases cited in the following note were decided under former similar provisions.

This section clearly corresponds to former § 160-205 in that both statutes enable municipalities to condemn land for public purposes. City of Durham v. Manson, 285 N.C. 741, 208 S.E.2d 662 (1974).

This section exemplifies the express legislative intent to provide alternative condemnation procedures for cities and, in close conjunction with this concept, to continue the existence of the "quick take" condemnation proceeding authorized by Session Laws 1967, c. 506. City of Durham v. Manson, 21 N.C. App. 161, 204 S.E.2d 41 (1974).

Session Laws 1967, c. 506 Attached to Section. — If it is necessary for Session Laws 1967, c. 506, a local act which amended the now repealed § 160-205, to attach to one of the sections of this Chapter in order to perpetuate the existence of the local act, this is accomplished by attaching the local act to this section. City of Durham v. Manson, 21 N.C. App. 161, 204 S.E.2d 41 (1974).

And Was Not Repealed by This Chapter. — Chapter 506 of Session Laws 1967, which became a part of the charter of the City of Durham, was not repealed by this Chapter. City of Durham v. Manson, 285 N.C. 741, 208 S.E.2d 662 (1974).

Power Discretionary. — Where it appears that the governing authorities of a town have taken lands to widen a street intersecting with other streets so as to lessen the danger to traffic thereon, and it is made to appear that doing so was a reasonable exercise of the discretion vested in them, the findings that such course was unnecessary is not binding on the Supreme Court, the question being, primarily, whether the administrative authorities of the town have so grossly and manifestly abused the exercise of their discretionary powers as to render their action ineffectual. Lee v. Town of Waynesville, 184 N.C. 565, 115 S.E. 51 (1922).

Not Limited by § 40-10. — The power granted to a municipality to condemn land for street and other purposes is not limited or restricted by § 40-10, prohibiting condemnation of dwelling houses and burial grounds. Town of Mount Olive v. Cowan, 235 N.C. 259, 69 S.E.2d 525 (1952). See City of Raleigh v. Edwards, 235 N.C. 671, 71 S.E.2d 396 (1952).

The governing body of a municipality, for the purpose of erecting an elevated water storage tank as an addition to its water system, has the power, in the exercise of a sound discretion, to acquire by condemnation, if need be, dwelling-house porperties either within or outside the city, and this is so irrespective of the provisions of § 40-10 and the related statute, § 40-2(2). City of Raleigh v. Edwards, 235 N.C. 671, 71 S.E.2d 396 (1952).

The opening and closing of streets is a governmental function. Bessemer Imp. Co. v. City of Greensboro, 247 N.C. 549, 101 S.E.2d 336 (1958).

Improvements No Bar to Condemnation. — The governing authorities of a town are not estopped to condemn land for the widening or improvement of its streets by reason of an owner having put extensive improvements on his land a long time prior to the time it was condemned for that purpose, the power of condemnation, in cases of this character, being a continuing one to be exercised when and to the extent that the public good may require it. Lee v. Town of Waynesville, 184 N.C. 565, 115 S.E. 51 (1922).

Acquisition of Easement by Payment of Permanent Damages. — Where plaintiff landowners demand permanent damages in their action against a municipality for trespass based upon the construction by the municipality of a storm sewer line over their lands, and defendant municipality prays for an easement for the purpose of maintaining such drainage system, under the verdict and judgment awarding permanent damages the municipality, upon payment of the damages awarded, acquires a permanent easement to maintain its storm sewer line so long as it is kept in proper repair. McLean v. Town of Mooresville, 237 N.C. 498, 75 S.E.2d 327 (1953).

Agreement to Furnish Fire Protection as Compensation. — A municipality has the authority to compensate landowners for a water and sewer line easement across a tract of land located outside the municipal limits by an agreement to furnish fire protection for any buildings located on such tract. Valevais v. City of New Bern, 10 N.C. App. 215, 178 S.E.2d 109 (1970).

Does Not Constitute Waiver of Governmental Immunity. — An agreement by a municipality to furnish fire protection for property lying outside the municipality as compensation for a water line and sewer easement across such property does not constitute a waiver of the municipality's governmental immunity with respect to torts committed in the maintenance or operation of its fire department. Valevais v. City of New Bern, 10 N.C. App. 215, 178 S.E.2d 109 (1970).

And Profit Does Not Make Such Furnishing a Proprietary Function. — The fact that a water and sewer easement obtained by a municipality in exchange for its promise to furnish fire protection permitted the municipality to sell water at a profit does not make the furnishing of such fire protection a proprietary rather than a governmental function. Valevais v. City of New Bern, 10 N.C. App. 215, 178 S.E.2d 109 (1970).

Right of Condemnor to Claim Part of Award. — When a town sought to have property valued free of any claims which it could assert, the town could not, after the value had been fixed, claim any part of the award. Town of Hertford v. Harris, 263 N.C. 776, 140 S.E.2d 420 (1965).

City Must Allege and Prove Compliance with Procedural Requirements. — When a city undertakes to exercise the power of eminent domain which has been granted to it by the legislature, it is necessary that it both allege and prove compliance with statutory procedural requirements. City of Charlotte v. McNeely, 8 N.C. App. 649, 175 S.E.2d 348 (1970).

§ 160A-242. Acquisition of whole parcel or building. — (a) When the proposed right-of-way of a street or highway requires condemnation of only a portion of a parcel of land leaving a remainder of such shape, size or condition that it is of little value, a city may acquire the entire parcel by purchase or condemnation. If the remainder is to be included in the land described in the preliminary and final condemnation resolutions, the resolutions shall include:

(1) A determination by the council that a partial taking of the land would substantially destroy the economic value or utility of the remainder, or

(2) A determination by the council that an economy in the expenditure of public funds will be promoted by taking the entire parcel, or

(3) A determination by the council that the interest of the public will be best served by acquiring the entire parcel.

(b) Residues acquired under this section may be sold or disposed of in the manner provided for the disposition of city property, or may be exchanged for other property needed by the city.

(c) When the proposed right-of-way of a street or highway requires condemnation of a portion of a building or other structure, the city may acquire the entire building or structure by purchase or condemnation, together with the right to enter upon the surrounding land for the purpose of removing the building or structure. If the entire building is to be included in the property described in the preliminary and final condemnation resolutions, the resolutions shall include a determination by the city council either

(1) That an economy in the expenditure of public funds will be promoted by acquiring the entire building or structure; or

(2) That it is not feasible to cut off a portion of the building or structure without destroying the whole; or

(3) That the convenience, safety, or improvement of the street or highway will be promoted by acquiring the entire building or structure.

Nothing in this section shall be deemed to compel the city to condemn the underlying fee of the portion of any building or structure that lies outside the right-of-way of any existing or proposed street or highway. (1969, c. 601; 1971, c. 698, s. 1.)

§ 160A-243. Limitations upon power of eminent domain. — (a) A city shall not possess the power of eminent domain with respect to property owned by the State of North Carolina unless the State consents to the taking. The State's consent shall be given by the Council of State, or by the Secretary of Administration if the Council of State delegates this authority to him. In a condemnation proceeding against State property consented to by the State, the

only issue shall be the compensation to be paid for the property by the city. Therefore, the preliminiary condemnation resolution shall not be required, but all other procedures prescribed by this Article shall be followed.

(b) A city shall possess the power of eminent domain with respect to property owned by a county, another city, or a municipal corporation organized for a special purpose only if the property proposed to be taken is not being used or is not needed for any governmental or proprietary purpose.

(c) A city shall possess the power of eminent domain for the purpose of acquiring the fee or any lesser interest in properties already devoted to the public use and owned by a public service corporation, including public utilities as defined in Chapter 62 of the General Statutes and electric and telephone membership corporations, only if such acquisition will not prevent or unreasonably impair the continued devotion to the public use of such properties and their operation by such public service corporation. (1971, c. 698, s. 1; 1975, c. 879, s. 46.)

Editor's Note. — The 1975 amendment substituted "Secretary of Administration" for "Director of Administration" in the second sentence of subsection (a).

Land Owned by Railroad Company. — A municipal corporation had power, under its charter and the general powers of eminent domain conferred upon it by statute, to condemn for necessary street purposes a strip of land owned by a railroad company when such property was not being used by the railroad company and was not necessary nor essential to the operation of its business. City of Goldsboro v. Atlantic Coast Line R.R., 246 N.C. 101, 97 S.E.2d 486 (1957) (decided under former § 160-205).

§ 160A-243.1. Costs in unsuccessful condemnation actions and in inverse condemnation actions. — If a city or an agency, board, or commission of a city institutes an action to acquire by condemnation any interest in real property and (i) if the final judgment in the action is that the city or the agency, board, or commission is not authorized to condemn the property, or (ii) if the city or agency, board, or commission abandons the action, the court with jurisdiction over the action shall award each owner of the property sought to be condemned a sum that, in the opinion of the court, will reimburse the owner for his reasonable costs, disbursements, and expenses (including reasonable attorney, appraisal, and engineering fees) incurred because of the action.

If an action is brought against a city or an agency, board or commission of a city seeking compensation for the taking of any interest in property by the city or agency, board or commission and judgment is for the plaintiff, the court shall award to the plaintiff as a part of the judgment a sum that, in the opinion of the court, will reimburse the plaintiff for his reasonable costs, disbursements, and expenses (including reasonable attorney, appraisal, and engineering fees) incurred because of the action. (1971, c. 896, s. 13; c. 1137; 1973, c. 426, s. 37.)

Editor's Note. — This section was originally codified as § 160-205.2. It was transferred to its present position by Session Laws 1971, c. 896, s. 13.

Word "Plaintiff" Used in Natural, Ordinary Meaning. — The General Assembly used the word "plaintiff" in this section in its natural, ordinary meaning. Housing Auth. v. Farabee, 284 N.C. 242, 200 S.E.2d 12 (1973).

When Court May Award Counsel Fees to Landowner. — The second paragraph of this section authorizes and directs the court to award counsel fees to the landowner when, and only when, the city, agency, board or commission takes possession of private property for a public purpose without first instituting a condemnation proceeding and the landowner, as plaintiff or petitioner, institutes an inverse condemnation proceeding against the condemning authority and recovers just compensation for the taking. Housing Auth. v. Farabee, 284 N.C. 242, 200 S.E.2d 12 (1973).

An award of counsel fees to the landowner is not authorized when judgment is entered awarding title to the condemnor and compensation to the landowner in a proceeding instituted by the condemnor. Housing Auth. v. Farabee, 284 N.C. 242, 200 S.E.2d 12 (1973).

Using Provisions of Article 22 of Chapter to Draw Inference as to Such Award Is Improper.

— The legislature has provided for the payment of reasonable attorney fees when the power of eminent domain is exercised by urban redevelopment commissions under Article 22 of this Chapter, regardless of which party is plaintiff. This, however, has no legal significance to other condemnations and may not be used by the courts to infer a similar intention in condemnation proceedings instituted by housing authorities under other statutes which contain no language definitely indicating such legislative intent. Housing Auth. v. Farabee, 284 N.C. 242, 200 S.E.2d 12 (1973).

§ 160A-244. Fee simple title acquired. — Unless otherwise expressly provided in the preliminary and final condemnation resolutions, condemnation shall vest in the city an estate in fee simple absolute to the property acquired. (1971, c. 698, s. 1.)

§ 160A-245. Rules of Civil Procedure applicable. — All notices required to be served by this Article shall be served in the manner prescribed for service of summons in a civil action by Rule 4(k) of the Rules of Civil Procedure (G.S. 1A-1). Appointment of and service of notice on guardians ad litem shall be done in the manner prescribed by Rule 17 of the Rules of Civil Procedure (G.S. 1A-1). In all other respects, the procedure to be followed in exercise of the power of eminent domain by a city shall be that prescribed in this Article supplemented when necessary or appropriate by the procedures prescribed by the Rules of Civil Procedure in general and in particular by those portions of the Rules of Civil Procedure governing proceedings in which jurisdiction is derived primarily from the presence of property in the State of North Carolina.

All notices and resolutions required to be served by this Article may be presented to the sheriff of the county in which the condemning city is located; if the condemning city is located in more than one county, the city council shall select the sheriff of the county in which the majority of the land to be condemned is located for service of notices. The sheriff shall serve the notices and resolutions as and when requested by the city council, provided that the party to be served can be found within the county, and shall receive such fees as by general law provided for the service of civil process. The selection shall be communicated to the sheriff by letter of the city council, signed either by the city council's presiding officer or the city clerk or the city attorney. All notices and resolutions required to be served by this Article shall be issued by the city council in the form of summons provided for by the Rules of Civil Procedure in cases of condemnation of land. (1971, c. 698, s. 1; 1975, c. 67.)

Editor's Note. — The 1975 amendment added the second paragraph.

§ 160A-246. Preliminary condemnation resolution. — (a) Condemnation shall begin with the city council's adoption of a preliminary condemnation resolution containing substantially the following:

(1) A description of each lot, tract, parcel of land, or body of water in which property rights are to be acquired;

(2) The nature of the right, title, or interest to be acquired in the property, including a description of the location of any easement or other right in property that can be located on the ground, but is less than an estate in fee;

(3) A statement of the purpose for which the property is to be acquired;

(4) A statement as to whether the owner will be permitted to remove all or a specified portion of any buildings, structures, permanent improvements, or fixtures situated on or affixed to the property;

(5) The name and address of the owner of the property and all other persons known to have an interest in the property, including the holders of vested or contingent future interests, the holders of liens, options,

judgments, or other encumbrances on the title to the property; the holder of the equity of redemption under a mortgage; and the grantor and third party beneficiary under a deed of trust. Persons known to have an interest in the property but whose names or addresses cannot be ascertained with reasonable diligence and expense may be named as "unknown persons" or addressed as "address unknown." A person's interest in property shall be deemed known if it appears of record, or could or would be discovered by the exercise of reasonable diligence and expense.

(6) A statement and notice as to the composition, method of selection, time and place of first meeting, and general duties of the board of appraisers;

(7) The name of the member of the board of appraisers appointed by the city.

(b) Unless the preliminary condemnation resolution specifically provides otherwise, the description of a parcel of land and the statement of intention to acquire title to it in fee simple absolute shall be deemed to include all buildings, structures, permanent improvements, and fixtures situated on or affixed to the land, and all privileges, appurtenances, and other property rights running with the land.

(c) The preliminary condemnation resolution shall initiate condemnation against all property described and all parties named therein. It shall not be necessary to initiate separate proceedings against each individual lot, tract, or parcel of land or each individual owner, but the resolution shall be limited to condemnation for a single project or purpose, and to property under common ownership. (1971, c. 698, s. 1.)

§ 160A-247. Preliminary condemnation resolution served on owners and recorded. — A copy of the preliminary condemnation resolution, and any amendments thereto, shall be served on all persons named as owners or parties therein. The original resolution, and any amendments to the description of the land or easement to be acquired or adding, deleting, substituting, or correcting the names of the owners of the property, shall be recorded in the office of the register of deeds of the county or counties in which the land affected thereby lies. The register of deeds shall record and index the resolution (and any amendments thereto required to be recorded) in the same manner as a deed of trust affecting the property, with the owners named therein treated as the grantor under a deed of trust. If the city abandons condemnation proceedings after the resolution has been recorded, the register of deeds shall cancel it in the same manner as a deed of trust is canceled upon presentation to him of a certified copy of the resolution of the city council abandoning the proceedings. (1971, c. 698, s. 1; 1973, c. 426, s. 38.)

§ 160A-248. Board of appraisers. — (a) The property described in the preliminary condemnation resolution shall be appraised by a board of appraisers composed of one person appointed by the city (who shall be named in the preliminary condemnation resolution), one person appointed by the owner, and one person appointed jointly by the other two appraisers. Each appraiser shall be a freeholder of the city or a county wherein the property being condemned lies who has no right, title, or interest in or to the property being condemned, is not related by blood or marriage to any of the owners, is not an officer, employee, or agent of the city, and is disinterested in the rights of the parties in every way. Either the city or the owner may reject an appraiser appointed by the other or by the city's and owner's appraiser if the person so appointed is not disinterested. Notice of rejection of an appraiser shall be given within 48 hours of his appointment or else the right to object shall be deemed to have been

waived. If an appointment is rejected, the city or owner shall immediately appoint another appraiser and shall give notice of this action to the other parties.

(b) The owner's appraiser shall be appointed and his name reported to the city clerk within 15 days after the resolution has been served on all owners. If there is more than one owner, the appointment shall be made by those having a majority in interest in the property. For purposes of appointing an appraiser, the holders of future interests whether vested or contingent, the holder of the equity of redemption under a mortgage, and the grantor and third-party beneficiary under a deed of trust shall not be considered owners.

(c) If the owner fails to appoint an appraiser within the time allowed, or if the owner's appraiser and the city's appraiser fail to agree upon appointment of the third appraiser, the city may apply to the clerk of superior court of the county in which the land lies for appointment of either an appraiser to represent the owner or the third appraiser, as appropriate.

(d) Each appraiser shall take an oath or affirmation that he will fairly and impartially discharge his duties as an appraiser. (1971, c. 698, s. 1; 1973, c. 1212.)

§ 160A-249. Meetings of board of appraisers. — (a) The first meeting of the board of appraisers shall be convened at or near the site of the property being condemned at the time fixed by the preliminary condemnation resolution. The board of appraisers shall first view the property to be acquired and then hear any evidence presented by the owner or the city as to the damages and benefits that will result from the proposed condemnation. The evidence need not be reduced to writing unless one of the parties demands a hearing on the record, in which event he shall bear the cost of the transcript. The hearing of evidence need not be held at the site of the property if this is not convenient, and the appraisers may retire to some suitable place immediately after viewing the property.

(b) If for any reason the first meeting of the board of appraisers cannot be held at the time fixed in the preliminary condemnation resolution or at the site of the property being condemned, the appraisers may fix another time or place and shall serve notice of the change in time or place upon each person upon whom the preliminary condemnation was served. Notice changing the time and place of the first meeting shall be served not later than five days before the date of the meeting.

(c) The board of appraisers may adjourn the first meeting to any other time or place to hear additional evidence, or it may hold additional meetings. No notice need be given of an adjourned meeting if the time and place of the adjourned meeting were fixed before the close of the first or the adjourned meeting. Notice of additional meetings shall be given as provided for a change in the time or place of the first meeting if they are to be held to hear evidence, but not otherwise. (1971, c. 698, s. 1.)

§ 160A-250. Report of board of appraisers. — (a) The board of appraisers shall determine the compensation to be paid to the owner by the city for its acquisition of the property. In determining the compensation, the appraisers shall take into consideration both the loss or damage that will result to the owner from the acquisition and any benefits that will inure to any remainder of the property from the improvement or project for which the property is being condemned. Benefits shall include both benefits or advantages special to the property and benefits or advantages to the property in common with other property affected by the improvement or project. If the owner is to be allowed to remove any building or other permanent improvement or fixtures from the property, the value thereof shall not be included in the compensation award, but the cost of removal shall be considered as an element of damages.

(b) When it has determined damages and benefits, the board of appraisers shall make its report to the city council. The board shall report within 30 days

of its appointment, unless the council allows a longer time. The report shall show separately the amount of damage, the amount of benefits, and the amount of compensation to be paid to the owner. The report shall be sufficient if it is concurred in by two of the three appraisers. If no two of the appraisers can agree upon a report, or if the board fails to report within the time allowed, a new board of appraisers may be appointed in the same manner as the original board and shall follow the same procedure required of the original board. (1971, c. 698, s. 1.)

§ 160A-251. Council action on report. — Within 30 days after the board of appraisers' report is submitted to the council, the council shall decide what action it will take thereon. If the council decides to abandon the condemnation, it shall adopt a resolution to that effect. Failure of the city to take any action within 80 days after the report has been submitted shall be deemed an abandonment of the condemnation. Abandonment of condemnation shall not preclude the city from thereafter instituting another proceeding to acquire the property included in the abandoned proceedings. (1971, c. 698, s. 1.)

§ 160A-252. Final resolution of condemnation. — If the council decides to proceed with the condemnation and acquire the property described in the preliminary condemnation resolution after considering the report of the board of appraisers, it shall adopt a final condemnation resolution containing substantially the following provisions:

(1) A recital that a board of appraisers has been appointed to determine the compensation to be paid for the property acquired and that the appraisers have submitted their report to the council;
(2) A statement of the amount of damages and benefits and the amount of compensation to be paid to the owner as fixed by the board of appraisers;
(3) A statement that the city hereby acquires the property described herein under the power of eminent domain;
(4) A description of each lot, tract, or parcel of land or body of water in which property rights are acquired and the nature and extent of the estate or rights acquired in each, including a description of the location of any easement, right-of-way, or right of access acquired;
(5) A statement of the purpose for which the property is acquired;
(6) The names of the owner and all other persons made a party to the proceeding;
(7) The determination of the council as to the time when the city will take possession of the property or begin to exercise the property rights acquired, and a direction that the premises be vacated or control over the rights acquired relinquished by such time;
(8) If the owner is allowed to remove any building or portion thereof or any permanent improvements or fixtures from the property, a direction that these buildings, improvements, or fixtures be removed before the date fixed for possession or control together with notice of the city's right to remove them and the lien therefor provided by G.S. 160A-260;
(9) A statement that the owner has 30 days within which to give notice of appeal to the General Court of Justice. (1972, c. 698, s. 1; 1973, c. 426, s. 39.)

§ 160A-253. Service of final resolution of condemnation. — A copy of the final condemnation resolution shall be served upon each person named therein by registered mail to his last known address. Service on persons whose name or address is unknown shall be by publication in the manner prescribed by Rule

4(j)(9)a of the Rules of Civil Procedure. Personal service of the final condemnation resolution shall not be required. (1971, c. 698, s. 1.)

Editor's Note. — The Rules of Civil Procedure are found in § 1A-1.

§ 160A-254. Vesting of title in city. — Title to the property being acquired shall vest in the city as between the city and the owners and other parties named in the final condemnation resolution on the date specified in the resolution, or if no date is specified on the date the final condemnation resolution is adopted. The resolution shall have the effect of a judgment against the city for the amount of compensation fixed by the board of appraisers. Title shall not vest in the city as to persons not named in the final condemnation resolution until it has been recorded and indexed in the office of the register of deeds of the county in which the property or any portion thereof is located. The city shall not be entitled to possession of the property until the owners have been paid in full or a deposit of award has been made in accordance with G.S. 160A-258. If there is any dispute or doubt as to who is entitled to receive the compensation, and the owners have not appealed, the city may deposit the compensation with the clerk of superior court and upon making the deposit shall be entitled to immediate possession of the property. (1971, c. 698, s. 1.)

§ 160A-255. Appeal to General Court of Justice. — Any party to a condemnation proceeding, including the city, may appeal the proceeding to the appropriate division of the General Court of Justice, but the city may appeal only as to the issue of compensation. Notice of appeal shall be given within 30 days from the date that the final resolution of condemnation is adopted, and shall be served on all parties to the proceeding by registered mail to their last known address. An appeal shall not delay the vesting in the city of title to the property or hinder the city in any way from proceeding with the project or improvement for which the property was acquired, except that if the appeal is by a party described in G.S. 160A-243(b) or (c), vesting of title in the city shall be suspended until the court has rendered final judgment on the power of the city to acquire the property and the amount of compensation to be paid. In an appeal by a party described in G.S. 160A-243(b), the court may, in its discretion, reduce the amount of property that may be acquired by the city. (1971, c. 698, s. 1; 1973, c. 426, s. 40.)

§ 160A-256. Record on appeal. — Upon an appeal the city clerk shall certify copies of all records in the condemnation proceeding to the appropriate division of the General Court of Justice. The appeal shall be tried like other actions at law. The record on appeal shall consist of the preliminary condemnation resolution, the proofs of service of all notices required to be served, the oaths of the members of the board of appraisers, the report of the board of appraisers, the transcript of testimony before the board of appraisers, if any; the final condemnation resolution; and the notice of appeal. The record on appeal, or any portion thereof, shall be competent as evidence in the trial of an appeal. The trial of the issue of damages upon an appeal shall be de novo. (1971, c. 698, s. 1.)

Cited in In re Proceedings by City of Greensboro, 21 N.C. App. 124, 203 S.E.2d 325 (1974).

§ 160A-257. Registration of condemnation proceedings. — A copy of the final condemnation resolution, and any judgment modifying any portion thereof as to the nature and extent of the property acquired, shall be certified by the city clerk, and recorded in the office of the register of deeds of the county in which the property is located. (1971, c. 698, s. 1.)

§ 160A-258. Deposit of award. — At any time following an appeal, the city may deposit with the clerk of superior court a sum of money equal to the compensation determined by the board of appraisers if the appealing party is the owner, or a sum estimated by the city to be just compensation for the taking if the city is an appealing party. The owners may apply to the clerk for disbursement of the money deposited in court, or any portion thereof, as full compensation, or as a credit against just compensation, without prejudice to further proceedings in the cause. Upon such application, the clerk shall order that the money deposited be paid to the persons entitled thereto in accordance with the application. The clerk shall have power to make such orders with respect to encumbrances, liens, rents, taxes, assessments, insurance, and other charges, if any, as shall be just and equitable. (1971, c. 698, s. 1; 1973, c. 426, s. 41.)

§ 160A-259. Interest on award. — The amount awarded as damages by judgment of the General Court of Justice shall include interest at six percent (6%) per annum on the award from the date of taking to the date of judgment unless a deposit of award has been made. Interest on a court award shall not be allowed from the date of a deposit of award as provided by G.S. 160A-258 on whatever portion thereof has been paid into court as provided in that section. (1971, c. 698, s. 1.)

§ 160A-260. Removal of structures on condemned land; lien. — The city may allow the owner of property acquired by condemnation to remove any building, permanent improvement, or fixture wholly or partially located on or affixed to the property, and may specify a time after adoption of the final condemnation resolution within which it may be removed. If the report of the board of appraisers deducted the value of any such property to be removed from the award of compensation and allowed the cost of removal as an element of damages and the owner fails to remove it within the time allowed, the city may remove it and the cost of the removal and storage of the property shall be chargeable against the owner and a lien upon any remainder of the property not acquired by the city, to be recovered or foreclosed in the manner provided by law for recovery of debt or foreclosure of mortgages. (1971, c. 698, s. 1.)

§ 160A-261. Sale or other disposition of land condemned. — When any land condemned in fee by the city is no longer needed for the purpose for which it was condemned, it may be used for any other public purpose or may be sold or disposed of in the manner prescribed by law for the sale and disposition of surplus property. (1971, c. 698, s. 1.)

§ 160A-262: Repealed by Session Laws 1973, c. 426, s. 42.

§ 160A-263. Right of entry prior to condemnation. — Any city, without having adopted a preliminary condemnation resolution, depositing any sum, or taking any other action provided for in this Article, is authorized to enter upon any lands, but not structures, to make surveys, borings, examinations, and appraisals as may be necessary or expedient in carrying out and performing its rights or duties under this Article, and such entry shall not be deemed a trespass, or taking within the meaning of this Article; provided, however, that said city shall make reimbursement for any damage resulting from such activities, and the owner, if necessary, shall be entitled to proceed to recover for such damage. Provided further, that said city shall give 30 days notice of the intended entry authorized by this section; such notice shall be deemed given when served on the owner of the land and on all persons who hold a recorded lien or lease against the land by the sheriff of the county in which the condemning city is located or by mailing the notice by certified mail, return receipt requested, postage prepaid, addressed to the owner of the land and to all persons who hold a recorded lien

or lease against the land at his last known address or last known principal place of business. (1975, c. 102, s. 1.)

Editor's Note. — Session Laws 1975, c. 102, s. 2, provides that the act shall not affect pending litigation.

§§ 160A-264, 160A-265: Reserved for future codification purposes.

ARTICLE 12.

Sale and Disposition of Property.

§ 160A-266. Methods of sale; limitation. — (a) Subject to the limitations prescribed in subsection (b) of this section, and according to the procedures prescribed in this Article, a city may dispose of real or personal property belonging to the city by:

(1) Private negotiation and sale;
(2) Advertisement for sealed bids;
(3) Negotiated offer, advertisement, and upset bid;
(4) Public auction; or
(5) Exchange.

(b) Private negotiation and sale may be used only with respect to personal property valued at less than five thousand dollars ($5,000) for any one item or group of similar items. Real property and personal property valued at five thousand dollars ($5,000) or more for any one item or group of similar items may be sold by any method permitted by this Article other than private negotiation and sale, or may be exchanged as permitted by G.S. 160A-271. (1971, c. 698, s. 1; 1973, c. 426, s. 42.1.)

Editor's Note. — The cases and opinion of the Attorney General cited in the following note were decided or issued prior to the enactment of this Article.

Opinions of Attorney General. — Mr. Kyle Hayes, North Wilkesboro Town Attorney, 40 N.C.A.G. 500 (1969).

Real Estate Agent May Be Employed. — As incidental to the power of a municipal corporation to sell at public auction parcels of land acquired by it by foreclosure of tax and street assessment liens, the municipality has the authority, in the exercise of its discretion in determining the means for accomplishing this purpose, to employ a real estate agent upon commission to obtain a responsible bidder at the sale to bid a sum sufficient to protect the municipality's interest. Cody Realty & Mtg. Co. v. City of Winston-Salem, 216 N.C. 726, 6 S.E.2d 501 (1940).

What Real Estate May Be Sold. — In Southport v. Stanly, 125 N.C. 464, 34 S.E. 641 (1899), the court says: The reasonable construction of the statute must be that the town or city authorities can sell any personal property, or sell or lease any real estate which belongs to a town or city, as the surplus of the original acreage ceded for the town or city site, or such land as may have been subsequently acquired or purchased. But in no case can the power be extended to the sale or lease of any real estate which is to be held in trust for the use of the town, or any real estate which is devoted to the purpose of government. To enable the town to sell such real estate there must be a special act of the General Assembly authorizing such sale or lease. Brockenbrough v. Board of Water Comm'rs, 134 N.C. 1, 46 S.E. 28 (1903).

In Moose v. Carson, 104 N.C. 431, 10 S.E. 689 (1889), it was held that when a city conveys land bounded by an established street, and the grantee enters upon and improves the land, a subsequent conveyance by the corporation of the land covered by the street, whereby the easement of the appurtenant owner is interfered with, is void. But where there have been no improvements made on a dedicated street and the dedicated land has never been used as a street, a city by an act of legislature conferring authority may sell and convey the land so dedicated to it for street purposes. Church v. Dula, 148 N.C. 262, 61 S.E. 639 (1908).

Sale of Swimming Pool to Avoid Operating on Integrated Basis. — Where a municipality sought to sell public swimming pools under the provisions of this section and other legislative

authority, the contention that there was a denial of equal rights where the purpose of the closing or sale was to avoid the necessity of operating the facilities on a racially integrated basis was not sustained. If the swimming pools were disposed of through a bona fide public sale, and there was no evidence to the contrary in the instant case, there could be no unequal treatment and, therefore, no racial discrimination. Tonkins v. City of Greensboro, 162 F. Supp. 549 (M.D.N.C. 1958).

A contract for removal of sludge from city's sewerage disposal plant was held to relate to a service and not a sale of city property within the meaning of the statute requiring sale of city property to be made by auction. Plant Food Co. v. City of Charlotte, 214 N.C. 518, 199 S.E. 712 (1938).

§ 160A-267. Private sale. — When the council proposes to dispose of property by private sale, it shall at a regular council meeting adopt a resolution or order authorizing an appropriate city official to dispose of the property by private sale at a negotiated price. The resolution or order shall identify the property to be sold and may, but need not, specify a minimum price. The resolution or order shall be published once after its adoption, and no sale shall be consummated thereunder until 10 days after its publication. (1971, c. 698, s. 1.)

§ 160A-268. Advertisement for sealed bids. — The sale of property by advertisement for sealed bids shall be done in the manner prescribed by law for the purchase of property, except that in the case of real property the advertisement for bids shall be begun not less than 30 days before the date fixed for opening bids. (1971, c. 698, s. 1.)

§ 160A-269. Negotiated offer, advertisement, and upset bids. — A city may receive, solicit, or negotiate an offer to purchase property and advertise it for upset bids. When an offer is made and the council proposes to accept it, the council shall require the offeror to deposit five percent (5%) of his bid with the city clerk, and shall publish a notice of the offer. The notice shall contain a general description of the property, the amount and terms of the offer, and a notice that within 10 days any person may raise the bid by not less than ten percent (10%) of the first one thousand dollars ($1,000) and five percent (5%) of the remainder. When a bid is raised, the bidder shall deposit with the city clerk five percent (5%) of the increased bid, and the clerk shall readvertise the offer at the increased bid. This procedure shall be repeated until no further qualifying upset bids are received, at which time the council may accept the offer and sell the property to the highest bidder for cash. The council may at any time reject any and all offers. (1971, c. 698, s. 1.)

§ 160A-270. Public auction. — (a) Real Property. — When it is proposed to sell real property at public auction, the council shall first adopt a resolution authorizing the sale, describing the property to be sold, specifying the date, time, place, and terms of sale, and stating that any offer or bid must be accepted and confirmed by the council before the sale will be effective. The resolution may, but need not, require the highest bidder at the sale to make a bid deposit in a specified amount. The council shall then publish a notice of the sale at least once and not less than 30 days before the sale. The notice shall contain a general description of the land sufficient to identify it, the terms of the sale, and a reference to the authorizing resolution. After bids have been received, the highest bid shall be reported to the council, and the council shall accept or reject it within 30 days thereafter. If the bid is rejected, the council may readvertise the property for sale.

(b) Personal Property. — When it is proposed to sell personal property at public auction, the council shall at a regular council meeting adopt a resolution or order authorizing an appropriate city official to dispose of the property at public auction. The resolution or order shall identify the property to be sold and set out the date, time, place, and terms of the sale. The resolution or order (or a notice summarizing its contents) shall be published at least once and not less

than 10 days before the date of the auction. (1971, c. 698, s. 1; 1973, c. 426, s. 43.)

Editor's Note. — The cases cited in the following note were decided under former similar provisions.

Notice of Partition of Land Is Not Required. — The requirement of public notice has no application to actual partition of land in which a municipality owns an interest. Actual partition between tenants in common involves no sale or disposal of land or any interest therein. Craven County v. First-Citizens Bank & Trust Co., 237 N.C. 502, 75 S.E.2d 620 (1953).

Effect of Noncompliance with Requirements as to Notice. — If the publication of notice fails to comply in substance with the law, especially as to the time of publication, a purchaser does not acquire a marketable title. Bagwell v. Town of Brevard, 267 N.C. 604, 148 S.E.2d 635 (1966).

Advertisement Held Not to Relate Back to Prior Publication of Notice. — An advertisement for the sale of municipal property on a date less than 30 days after the first publication of the notice cannot relate back to a prior publication of notice, even though the prior notice related to substantially the same land, when the prior notice stipulates a different date for the sale and contains material differences in the terms of payment, as well as a discrepancy in the quantity of land to be sold and whether the land would be offered for sale as a whole or in separate tracts; therefore, the purported sale on the date specified in the second advertisement is a nullity. Bagwell v. Town of Brevard, 267 N.C. 604, 148 S.E.2d 635 (1966).

§ 160A-271. Exchange of property. — A city may exchange any real or personal property belonging to the city for other real or personal property by private negotiation if the city receives a full and fair consideration in exchange for its property. A city may also exchange facilities of a city-owned enterprise for like facilities located within or outside the corporate limits. Property shall be exchanged only pursuant to a resolution authorizing the exchange adopted at a regular meeting of the council upon 10 days' public notice. Notice shall be given by publication describing the properties to be exchanged, stating the value of the properties and other consideration changing hands, and announcing the council's intent to authorize the exchange at its next regular meeting. (1971, c. 698, s. 1; 1973, c. 426, s. 42.1.)

§ 160A-272. Lease or rental of property. — Any property owned by a city may be leased or rented for such terms and upon such conditions as the council may determine, but not for longer than 10 years (except as otherwise provided herein) and only if the council determines that the property will not be needed by the city for the term of the lease. Subject to G.S. 160A-321, a city-owned utility or public service enterprise may be leased for a period of more than 10 years. In determining the term of a proposed lease, periods that may be added to the original term by options to renew or extend shall be included. Property may be rented or leased only pursuant to a resolution of the council authorizing the execution of the lease or rental agreement adopted at a regular council meeting upon 10 days' public notice. Notice shall be given by publication describing the property to be leased or rented, stating the annual rental or lease payments, and announcing the council's intent to authorize the lease or rental at its next regular meeting.

No public notice need be given for resolutions authorizing leases or rentals for terms of one year or less, and the council may delegate to the city manager or some other city administrative officer authority to lease or rent city property for terms of one year or less. Leases for terms of more than 10 years shall be treated as a sale of property and may be executed by following any of the procedures authorized for sale of real property. (1971, c. 698, s. 1.)

§ 160A-273. Grant of easements. — A city shall have authority to grant easements over, through, under, or across any city property or the right-of-way of any public street or alley that is not a part of the State highway system. Easements in a street or alley right-of-way shall not be granted if the easement

would substantially impair or hinder the use of the street or alley as a way of passage. A grant of air rights over a street right-of-way or other property owned by the city for the purpose of erecting a building or other permanent structure (other than utility wires or pipes) shall be treated as a sale of real property, except that a grant of air rights over a street right-of-way for the purpose of constructing a bridge or passageway between existing buildings on opposite sides of the street shall be treated as the grant of an easement. (1971, c. 698, s. 1.)

§ 160A-274. Sale, lease, exchange, and joint use of governmental property. — (a) For the purposes of this section, "governmental unit" means a city, county, school administrative unit, sanitary district, fire district, the State, or any other public district, authority, department, agency, board, commission, or institution.

(b) Any governmental unit may, upon such terms and conditions as it deems wise, with or without consideration, exchange with, lease to, lease from, sell to, purchase from, or enter into agreements regarding the joint use by any other governmental unit of any interest in real or personal property that it may own.

(c) Action under this section shall be taken by the governing body of the governmental unit. Action hereunder by any State agency, except the Board of Transportation, shall be taken only after approval by the Department of Administration. Action with regard to State property under the control of the Board of Transportation shall be taken by the Board of Transportation or its duly authorized delegate. Provided, any county board of education or board of education for any city administrative unit may, upon such terms and conditions as it deems wise, lease to another governmental unit for one dollar ($1.00) per year any real property owned or held by the board which has been determined by the board to be unnecessary or undesirable for public school purposes. (1969, c. 806; 1971, c. 698, s. 1; 1973, c. 507, s. 5; 1975, c. 455; c. 664, s. 9; c. 879, s. 46.)

Editor's Note. — The first 1975 amendment added the last sentence of subsection (c).

The second 1975 amendment inserted "with or without consideration" near the beginning of subsection (b).

The third 1975 amendment deleted "the Division of Property Control of" preceding "the Department of Administration" in the second sentence of subsection (c).

Opinions of Attorney General. — Mr. W.F. Southern, Mayor Pro Tempore, Town of Walnut Cove, 40 N.C.A.G. 483 (1969) (issued under former § 160-61.2).

§ 160A-275. Warranty deeds. — Any city, county, or other municipal corporation is authorized to execute and deliver deeds to any real property with full covenants of warranty, without regard to how the property was acquired, when, in the opinion of the governing body, it is in the best interest of the city, county, or other municipal corporation to convey by warranty deed. Members of the governing boards of counties, cities, and other municipal corporations are hereby relieved of any personal or individual liability by reason of the execution of warranty deeds to governmentally owned property unless they act in fraud, malice, or bad faith. (1945, c. 962; 1955, c. 935; 1969, cc. 48, 223, 332; c. 1003, s. 5; 1971, c. 698, s. 1.)

§ 160A-276. Sale of stocks, bonds, and other securities. — A city may sell through a broker without complying with the preceding sections of this Article shares of common and preferred stock, bonds, options, and warrants or other rights with respect to stocks and bonds, and other securities, when the stock, bond, or other right or security has an established market and is traded in the usual course of business on a national stock exchange or over-the-counter by reputable brokers and securities dealers. The city may pay the usual fees and taxes incident to such transactions. Nothing in this section authorizes a city to deal in its own bonds in any manner inconsistent with Chapter 159 of the General

Statutes, nor to invest in any securities not authorized by G.S. 159-30. (1973, c. 426, s. 44.)

§§ 160A-277 to 160A-280: Reserved for future codification purposes.

ARTICLE 13.

Law Enforcement.

§ 160A-281. Policemen appointed. — A city is authorized to appoint a chief of police and to employ other police officers who may reside outside the corporate limits of the city unless the council provides otherwise. (R. C., c. 111, s. 16; Code, c. 3803; Rev., s. 2926; C. S., s. 2641; 1969, c. 23, s. 1; 1971, c. 698, s. 1; 1973, c. 426, s. 45.)

Municipality May Send Policemen to Training School. — The explicit power of a municipality to appoint and employ police contemplates that the persons so engaged be qualified and competent, and therefore a municipality has implied authority, exercisable within the discretion of its governing body, to send its policemen to a police training school and to make proper expenditures for this purpose. Green v. Kitchin, 229 N.C. 450, 50 S.E.2d 545 (1948) (decided prior to the enactment of § 160A-289). For a leading article on this case, see 27 N.C.L. Rev. 500.

§ 160A-282. Auxiliary law-enforcement personnel; workmen's compensation benefits. — (a) A city, by enactment of an ordinance, may provide that, while undergoing official training and while performing duties on behalf of the city pursuant to orders or instructions of the chief of police of the city, auxiliary law-enforcement personnel shall be entitled to benefits under the North Carolina Workmen's Compensation Act and to any fringe benefits for which such volunteer personnel qualify.

(b) The board of commissioners of any county may provide that persons who are deputized by the sheriff of the county as special deputy sheriffs or persons who are serving as volunteer law-enforcement officers at the request of the sheriff and under his authority, while undergoing official training and while performing duties on behalf of the county pursuant to orders or instructions of the sheriff, shall be entitled to benefits under the North Carolina Workmen's Compensation Act and to any fringe benefits for which such persons qualify. (1969, c. 206, s. 1; 1971, c. 698, s. 1; 1973, c. 1263, s. 1.)

Local Modification. — Columbus: 1973, c. 1263, s. 2.

§ 160A-283. Joint county and city auxiliary police. — The governing body of any city, town, or county is hereby authorized to create and establish a joint law-enforcement officers' auxiliary force with one or more cities, towns, or counties. Each participating city, town, or county shall, by resolution or ordinance, establish the joint auxiliary police force. The resolution or ordinance shall specify whether the members of the joint auxiliary police force shall be volunteers or shall be paid. Members shall be appointed by the respective governmental units and shall take the oath required for regular police officers. The joint auxiliary force may be called into active service at any time by the mayor or chief of police of the participating town or city or the chairman of the board of commissioners or sheriff of a participating county. Members of the joint auxiliary force, while undergoing official training and while on active duty shall be members of the unit which called the auxiliary force into active duty and shall be entitled to all powers, privileges and immunities afforded by law to regularly

employed law-enforcement officers of that unit including benefits under the Workmen's Compensation Act. Members of the joint auxiliary force shall not be considered as public officers within the meaning of the North Carolina Constitution. Such members shall be dressed in the uniform prescribed by such auxiliary force at any time such members or member exercises any of the duties or authority herein provided for. (1971, c. 607; c. 896, s. 4.)

Cross Reference. — As to authority of counties under this section, see also § 153A-212.

Editor's Note. — This section was enacted as § 160-20.4. It was transferred to its present position by Session Laws 1971, c. 896, s. 4.

§ 160A-284. Oath of office; holding other offices. — Each person appointed or employed as chief of police, policeman, or auxiliary policeman shall take and subscribe before some person authorized by law to administer oaths the oath of office required by Article VI, Sec. 7, of the Constitution. The oath shall be filed with the city clerk. The offices of policeman, chief of police, and auxiliary policeman are hereby declared to be offices that may be held concurrently with any other appointive office pursuant to Article VI, Sec. 9, of the Constitution. The office of auxiliary policeman is hereby declared to be an office that may be held currently with any elective office pursuant to Article VI, Sec. 9, of the Constitution. (1971, c. 698, s. 1; c. 896, s. 4; 1975, c. 664, s. 10.)

Editor's Note. — This section was enacted as § 160A-283. It was renumbered § 160A-284 by Session Laws 1971, c. 896, s. 4.

The 1975 amendment added the last sentence.

§ 160A-285. Powers and duties of policemen. — As a peace officer, a policeman shall have within the corporate limits of the city all of the powers invested in law-enforcement officers by statute or common law. He shall also have power to serve all civil and criminal process that may be directed to him by any officer of the General Court of Justice and may enforce the ordinances and regulations of the city as the council may direct. (Code, s. 3811; Rev., s. 2927; C. S., s. 2642; 1971, c. 698, s. 1; c. 896, s. 4.)

Editor's Note. — This section was enacted as § 160A-284. It was renumbered § 160A-285 by Session Laws 1971, c. 896, s. 4.

The cases cited in the following note were decided under former similar provisions.

Arrest without a Warrant. — A police officer may arrest without warrant for violation of municipal ordinances, committed in his presence; but the offender must be taken before the mayor as soon as practicable, a warrant obtained and trial had. State v. Freeman, 86 N.C. 683 (1882).

An instruction to the effect that police officers had a right to enter a cafe without a warrant and make whatever investigation they deemed necessary is held without error, since the officers have a right to enter a public place as invitees unless forbidden to enter therein, and further, officers may enter public or private property upon hearing a disturbance therein and make an arrest without a warrant to prevent a breach of the peace. State v. Wray, 217 N.C. 167, 7 S.E.2d 468 (1940).

A police officer within the limits of the city which has clothed him with authority, like a sheriff or constable, may summarily and without warrant arrest a person for a misdemeanor committed in his presence. This is a necessary concomitant of police power and essential for police protection. But in such case it is the duty of the officer to inform the person arrested of the charge against him and immediately take him before someone authorized to issue criminal warrants and have a warrant issued, giving him opportunity to provide bail and communicate with counsel and friends. Perry v. Hurdle, 229 N.C. 216, 49 S.E.2d 400 (1948).

The power of a policeman to arrest without a warrant is restricted to the corporate limits of the city, and an arrest out of the limits without a warrant for the breach of an ordinance is an assault. Sossamon v. Cruse, 133 N.C. 470, 45 S.E.

757 (1903). See Wilson v. Town of Mooresville, 222 N.C. 283, 22 S.E.2d 907 (1942).

Force Allowed in Making Arrests. — If an officer is resisted in making an arrest, he may use that degree of force which is necessary to the proper performance of his duty, and, after an accused person is arrested, the officer is justified in the use of such force as may be necessary, even to taking life, to prevent his escape, whether the offense charged is a felony or misdemeanor. He may take such precautions as handcuffing or tying the prisoner. State v. Sigman, 106 N.C. 728, 11 S.E. 520 (1890).

No Right to Kill or Injure Misdemeanant Fleeing Arrest. — When a person charged with a misdemeanor is fleeing from arrest, and an officer shoots him, such officer is guilty of assault. If death results the officer is guilty of murder if he intended to kill, manslaughter if unintentional. State v. Sigman, 106 N.C. 728, 11 S.E. 520 (1890); Sossamon v. Cruse, 133 N.C. 470, 45 S.E. 757 (1903).

Duty to Submit Peaceably to Arrest. — When a person has been lawfully arrested by a lawful officer and understands that he is under arrest, it is his duty to submit peaceably to the arrest. State v. Cooper, 4 N.C. App. 210, 166 S.E.2d 509 (1969).

The words "submit peaceably to arrest" imply the yielding to the authority of a lawful officer, after being lawfully arrested. State v. Cooper, 4 N.C. App. 210, 166 S.E.2d 509 (1969).

A policeman has the authority under general statute to deputize a citizen to aid him in serving a warrant for breach of the peace, a policeman being given the same authority, within the town limits, in making arrests as a sheriff. Tomlinson v. Norwood, 208 N.C. 716, 182 S.E. 659 (1935).

Service of Process. — Where a town charter provides for the appointment of a chief of police or marshal and declares that, in the execution of process, he shall have the same power, etc., which sheriffs and constables have, the service by such officer of a summons directed to "the sheriff of W. county or town constable of W. town" is valid. Lowe v. Harris, 121 N.C. 287, 28 S.E. 535 (1897).

Policemen Have the Duty to Serve Summonses and Petitions in Juvenile Cases. — See opinion of Attorney General to Mr. William Y. Bicketty, 41 N.C.A.G. 892 (1972).

§ 160A-286. Extraterritorial jurisdiction of policemen. — In addition to their authority within the corporate limits, city policemen shall have all the powers invested in law-enforcement officers by statute or common law within one mile of the corporate limits of the city, and on all property owned by or leased to the city wherever located.

Any officer pursuing an offender outside the corporate limits or extraterritorial jurisdiction of the city shall be entitled to all of the privileges, immunities, and benefits to which he would be entitled if acting within the city, including coverage under the workmen's compensation laws. (1971, c. 698, s. 1; c. 896, s. 4; 1973, c. 426, s. 46; c. 1286, s. 24.)

Editor's Note. — This section was enacted as § 160A-285. It was renumbered § 160A-286 by Session Laws 1971, c. 896, s. 4.

Applied in State v. Dark, 22 N.C. App. 566, 207 S.E.2d 290 (1974).

§ 160A-287. City lockups. — A city shall have authority to establish, erect, repair, maintain and operate a lockup for the temporary detention of prisoners pending their transferal to the county or district jail or the State Department of Corrections. (Code, ss. 704, 3117; 1901, c. 283; 1905, c. 526; Rev., s. 2916; 1907, c. 978; P. L. 1917, c. 223; C. S., s. 2623; Ex. Sess. 1921, c. 58; 1927, c. 14; 1933, c. 69; 1949, c. 938; 1955, c. 77; 1959, c. 391; 1961, c. 308; 1967, c. 100, s. 2; c. 1122, s. 1; 1969, c. 944; 1971, c. 698, s. 1; c. 896, s. 4.)

Editor's Note. — This section was enacted as § 160A-286. It was renumbered § 160A-287 by Session Laws 1971, c. 896, s. 4.

§ 160A-288. Law-enforcement officers of one political subdivision to assist officers of another political subdivision upon request. — (a) Any political subdivision of the State upon the request of any other political subdivision of the State may send any law-enforcement officer or officers to assist the

law-enforcement officers of the requesting political subdivision in the performance of their duties in cases of emergency. A complete record of the request and sending together with the names of the officers sent shall be recorded in the minutes of the next regular or special meeting of the governing bodies of both the requesting and the sending political subdivisions.

(b) This assistance shall be rendered only in emergencies, which shall be declared by the chief elected official of the requesting political subdivision, or, in his absence, the person normally acting in his stead during his absence. But no political subdivision shall request or send law-enforcement officers unless the requesting and sending political subdivisions have a prior agreement to do so, which agreement shall be spread upon the minutes of both governing bodies and duly signed. This agreement may provide for reimbursing the sending political subdivision for the services of the law-enforcement officers to be sent and any other expenses involved in the sending.

(c) When law-enforcement officers are sent to another political subdivision pursuant to this section, the jurisdiction, authority, rights, privileges and immunities, including coverage under the workmen's compensation laws, which they have in the sending political subdivision shall extend to and include the area in which like benefits and authorities are or could be afforded to the law-enforcement officers of the requesting political subdivision and the area between the two political subdivisions when the officer or officers are acting within the scope of the authority conferred by this section. When so sent, they shall have the same authority to make arrests and to execute criminal process as the law vests in the law-enforcement officers of the requesting political subdivision, but this section shall not extend the effect of the laws of the sending political subdivision. (1967, c. 846; 1971, c. 698, s. 1; c. 896, s. 4.)

Cross Reference. — As to authority of counties under this section, see also § 153A-212.

Editor's Note. — This section was enacted as § 160A-287. It was renumbered § 160A-288 by Session Laws 1971, c. 896, s. 4.

§ 160A-289. Training and development programs for law enforcement. — A city shall have authority to plan and execute training and development programs for law-enforcement agencies, and for that purpose may

(1) Contract with other cities, counties, and the State and federal governments and their agencies;
(2) Accept, receive, and disburse funds, grants and services;
(3) Create joint agencies to act for and on behalf of participating counties and cities;
(4) Make applications for, receive, administer, and expend federal grant funds; and
(5) Appropriate and expend available tax or nontax funds. (1969, c. 1145, s. 3; 1971, c. 698, s. 1; c. 896, s. 4.)

Cross Reference. — See note to § 160A-281.

Editor's Note. — This section was enacted as § 160A-288. It was renumbered § 160A-289 by Session Laws 1971, c. 896, s. 4.

§ 160A-290: Reserved for future codification purposes.

ARTICLE 14.

Fire Protection.

§ 160A-291. Firemen appointed. — A city is authorized to appoint a fire chief; to employ other firemen; to establish, organize, equip, and maintain a fire department; and to prescribe the duties of the fire department. (1917, c. 136, subch. 8, s. 1; C. S., s. 2801; 1969, c. 1065, s. 3; 1971, c. 698, s. 1.)

Editor's Note. — The cases cited in the following note were decided under former similar provisions.

The organization and operation of a fire department is a governmental, not a private or proprietary function. Great American Ins. Co. v. Johnson, 257 N.C. 367, 126 S.E.2d 92 (1962).

Liability for Failure to Furnish. — The maintenance of a fire department for extinguishing fire without cost to the property owner is a governmental function, and there is no liability for failure to provide adequate pressure or service in extinguishing a fire. Howland v. City of Asheville, 174 N.C. 749, 94 S.E. 524 (1917).

The power to regulate and prevent fire is governmental, and a failure to exercise this power does not subject a city to action for negligence which causes loss by fire. Harrington v. Town of Greenville, 159 N.C. 632, 75 S.E. 849 (1912).

Liability for Negligence. — A city, in the absence of statutory provision to the contrary, is not liable for any damage occasioned by the negligence of its fire department. Mack v. City Water Works, 181 N.C. 383, 107 S.E. 244 (1921).

The extinguishment of fires is a function which a municipal corporation undertakes in its governmental capacity, and in connection with which, in the absence of statutory provision to the contrary, it incurs no civil liability, either for inadequacy in equipment or for the negligence of its employees. See Seales v. City of Winston-Salem, 189 N.C. 469, 127 S.E. 543 (1925); Mabe v. City of Winston-Salem, 190 N.C. 486, 130 S.E. 169 (1925).

Liability for Injuries to Firemen. — A city is not liable to firemen for injuries sustained in the performance of their duties, although the appliances used were defective, and known to be defective, by the city, for the maintenance of a fire department is a governmental function. Peterson v. City of Wilmington, 130 N.C. 76, 40 S.E. 853 (1902).

§ 160A-292. Duties of fire chief. — Where not otherwise prescribed, the duties of the fire chief shall be to preserve and care for fire apparatus, have charge of fighting and extinguishing fires and training the fire department, seek out and have corrected all places and conditions dangerous to the safety of the city and its citizens from fire, and make annual reports to the council concerning these duties. (1969, c. 1065, s. 3; 1971, c. 698, s. 1.)

§ 160A-293. Fire protection outside city limits; immunity; injury to firemen. — (a) A city may install and maintain water mains, pipes, hydrants, buildings and equipment outside its corporate limits and may send its firemen and equipment outside its corporate limits to provide fire protection to rural or unincorporated areas pursuant to agreements between the city and the county, or between the city and the owner of the property to be protected. Counties are hereby authorized to enter into these agreements and to make from tax funds any payments agreed upon for rural fire protection.

(b) No city or any officer or employee thereof shall be held to answer in any civil action or proceeding for failure or delay in answering calls for fire protection outside the corporate limits, nor shall any city be held to answer in any civil action or proceeding for the acts or omissions of its officers or employees in rendering fire protection services outside its corporate limits.

(c) Any employee of a city fire department, while engaged in any duty or activity outside the corporate limits of the city pursuant to orders of the fire chief or council, shall have all of the jurisdiction, authority, rights, privileges, and immunities, including coverage under the workmen's compensation laws, which they have within the corporate limits of the city. (1919, c. 244; C. S., s. 2804; 1941, c. 188; 1947, c. 669; 1949, c. 89; 1971, c. 698, s. 1.)

Editor's Note. — The case cited in the following note was decided under former § 160-238.

A Town May Furnish Fire Protection for Property outside the Corporate Limits of the Town. — See opinion of Attorney General to Mr. E.M. Johnson, Pembroke Town Attorney, 40 N.C.A.G. 473 (1969).

Agreement to Furnish Fire Protection as Compensation for Easement. — A municipality has the authority to compensate landowners for a water and sewer line easement across a tract of land located outside the municipal limits by an agreement to furnish fire protection for any buildings located on such tract. Valevais v. City of New Bern, 10 N.C. App. 215, 178 S.E.2d 109 (1970).

Does Not Constitute Waiver of Governmental Immunity. — An agreement by a municipality to furnish fire protection for property lying outside the municipality as compensation for a water line and sewer easement across such property does not constitute a waiver of the municipality's governmental immunity with respect to torts committed in the maintenance or operation of its fire department. Valevais v. City of New Bern, 10 N.C. App. 215, 178 S.E.2d 109 (1970).

And Profit Does Not Make Such Furnishing Proprietary Function. — The fact that a water and sewer easement obtained by a municipality in exchange for its promise to furnish fire protection permitted the municipality to sell water at a profit does not make the furnishing of such fire protection a proprietary rather than a governmental function. Valevais v. City of New Bern, 10 N.C. App. 215, 178 S.E.2d 109 (1970).

Failure to Promptly Respond to Call from outside Municipal Limits. — Although a municipality has contracted to furnish fire protection for property of plaintiffs lying outside the municipal limits, an alleged failure of members of the municipal fire department to respond promptly to a call for assistance in fighting a fire upon such property would constitute a negligent omission, not a breach of contract, for which the municipality has governmental immunity. Valevais v. City of New Bern, 10 N.C. App. 215, 178 S.E.2d 109 (1970).

§§ 160A-294, 160A-295: Reserved for future codification purposes.

ARTICLE 15.

Streets, Traffic and Parking.

§ 160A-296. Establishment and control of streets. — A city shall have general authority and control over all public streets, sidewalks, alleys, bridges, and other ways of public passage within its corporate limits except to the extent that authority and control over certain streets and bridges is vested in the Board of Transportation. General authority and control includes but is not limited to:

(1) The duty to keep the public streets, sidewalks, alleys, and bridges in proper repair;

(2) The duty to keep the public streets, sidewalks, alleys, and bridges open for travel and free from unnecessary obstructions;

(3) The power to open new streets and alleys, and to widen, extend, pave, clean, and otherwise improve existing streets, sidewalks, alleys, and bridges, and to acquire the necessary land therefor by dedication and acceptance, purchase, or eminent domain;

(4) The power to close any street or alley either permanently or temporarily;

(5) The power to regulate the use of the public streets, sidewalks, alleys, and bridges;

(6) The power to regulate, license, and prohibit digging in the streets, sidewalks, or alleys, or placing therein or thereon any pipes, poles, wires, fixtures, or appliances of any kind either on, above, or below the surface;

(7) The power to provide for lighting the streets, alleys, and bridges of the city; and

(8) The power to grant easements in street rights-of-way as permitted by G.S. 160A-273. (1917, c. 136, subch. 5, s. 1; subch. 10, s. 1; 1919, cc. 136, 237; C. S., ss. 2787, 2793; 1925, c. 200; 1963, c. 986; 1971, c. 698, s. 1; 1973, c. 507, s. 5.)

Editor's Note. — Many of the cases cited in the following note were decided under former similar provisions.

Statutory Obligation of State Highway Commission (Now Board of Transportation). — This section and §§ 136-66.1 and 136-93 indicate that the Highway Commission (now Board of Transportation) is under a statutory obligation with reference to the construction, maintenance and repair of all city streets, including culverts which support city streets, which constitute a part of the State highway system. Milner Hotels, Inc. v. City of Raleigh, 271 N.C. 224, 155 S.E.2d 543 (1967). See § 160A-297.

May Not Be Assumed by Municipality. — This section and §§ 136-66.1 and 136-93 do not authorize a municipality, in the absence of specific legislative authority, to contract to take over the responsibilities of the Highway Commission (now Board of Transportation) with reference to the construction, maintenance and repair of city streets and supporting culverts which constitute a part of the State highway system. Milner Hotels, Inc. v. City of Raleigh, 271 N.C. 224, 155 S.E.2d 543 (1967).

The duty of keeping the streets repaired devolves upon the municipality functioning through the proper officials. In Bunch v. Edenton, 90 N.C. 431 (1886), the court said that it is the positive duty of the corporate authorities of a town to keep the streets, including the sidewalks, in "proper repair," that is, in such condition as that the people passing and repassing over them might at all times do so with reasonable ease, speed and safety. Positive nuisances on or near the streets should be forbidden under proper penalties, and, when they exist, should be abated. Fitzgerald v. Concord, 140 N.C. 110, 52 S.E. 309 (1905).

Streets shall be kept in proper repair to the extent that this can be accomplished by proper and reasonable care and continuing supervision. Willis v. City of New Bern, 191 N.C. 507, 132 S.E. 286 (1926); Hunt v. City of High Point, 226 N.C. 74, 36 S.E.2d 694 (1946).

This duty extends to streets dedicated and accepted by the municipality but not to streets or portions of streets not accepted by it although dedicated by some individual. Hughes v. Clark, 134 N.C. 457, 46 S.E. 956, 47 S.E. 462 (1904).

And to Sidewalks. — The rights, powers, and liability of the municipality extend equally to the sidewalk as to the roadway, for both are parts of the street, and towns and cities are held to the same degree of liability for failure to repair sidewalks as to repair the other part of the street. Bunch v. Edenton, 90 N.C. 431 (1886); Tate v. City of Greensboro, 114 N.C. 392, 19 S.E. 767 (1894); Wolfe v. Pearson, 114 N.C. 621, 19 S.E. 264 (1894); Russell v. Town of Monroe, 116 N.C. 720, 21 S.E. 550, 47 Am. St. R. 823 (1895); Neal v. Town of Marion, 129 N.C. 345, 40 S.E. 116 (1901); Hester v. Traction Co., 138 N.C. 288, 50 S.E. 711 (1905).

Guarding against Perilous Places. — Proper repair implies that all bridges, dangerous pits, embankments, dangerous walls, and like perilous places and things very near and adjoining the streets shall be guarded against by proper railings and barriers or other reasonably necessary signals for the protection of the public. Fitzgerald v. Concord, 140 N.C. 110, 52 S.E. 309 (1905); Willis v. City of New Bern, 191 N.C. 507, 132 S.E. 286 (1926); Hunt v. City of High Point, 226 N.C. 74, 36 S.E.2d 694 (1946).

Commissioners' Duty. — This section does not impose on the commissioners the duty to personally work the streets, but it does impose on them a duty to keep them in repair. Although the power allows discretion, the commissioners are subject to indictment for neglecting to keep public streets in repair. State v. Dickson, 124 N.C. 871, 32 S.E. 961 (1899).

Contracts with and Duties of Public Service Companies to Repair. — A city may by contract with a street railroad provide for the repair of the street between the tracks, as a consideration for the franchise, and the railroad will be required to repair and keep its part in the same condition as the rest of the street. City of New Bern v. Atlantic & N.C.R.R., 159 N.C. 542, 75 S.E. 807 (1912).

Pipes, conduits, rails, and structures erected or constructed in the city streets under a general grant of authority to use the streets therefor are subject to the paramount power and duty of the city to repair, alter, and improve the streets, as the city, in its discretion, may deem proper, and to construct therein sewers and other improvements for the public benefit. City of Raleigh v. Carolina Power & Light Co., 180 N.C. 234, 104 S.E. 462 (1920).

Liability for Damage in Maintaining Streets. — Where a municipal corporation has authority to grade its streets it is not liable for consequential damage, unless the work was done in an unskillful and incautious manner. Meares v. Commissioners of Town of Wilmington, 31 N.C. 73 (1848). This holding has been approved and followed in many subsequent cases. Salisbury v. Western N.C.R.R., 91 N.C. 490 (1884); Wright v. City of Wilmington, 92 N.C. 156 (1885); Tate v. City of Greensboro, 114 N.C. 392, 19 S.E. 767 (1894); Wolfe v. Pearson, 114 N.C. 621, 19 S.E. 264 (1894); Brown v. Electric Co., 138 N.C. 533, 51 S.E. 62 (1905); Small v. Councilmen of Edenton, 146 N.C. 527, 60 S.E. 413 (1908); Ward v. Commissioners of Buford County, 146 N.C. 534, 60 S.E. 418 (1908); Jones v. Town of Henderson, 147 N.C. 120, 60 S.E. 894 (1908). In Thomason v. Seaboard Airline Ry., 142 N.C. 300, 55 S.E. 198 (1906), the subject is referred to as "the settled doctrine of this State." Dorsey v. Town of Henderson, 148 N.C. 423, 62 S.E. 547 (1908).

The discretionary power of repairing and maintaining a street is vested in the commissioners of a city, and an action for damages caused by cutting of trees in the street, by them, will not lie in favor of an abutting property owner, in the absence of negligence, malice, or wantonness. Tate v. City of Greensboro, 114 N.C. 392, 19 S.E. 767 (1894).

Liability for Failure to Maintain or Repair Streets. — This section imposes on a municipality the positive duty to maintain its streets in a reasonably safe condition for travel, and negligent failure to do so will render it liable to private action for proximate injury. Bunch v. Town of Edenton, 90 N.C. 431 (1884); Russell v. Town of Monroe, 116 N.C. 720, 21 S.E. 550, 47 Am. St. R. 823 (1895); Neal v. Town of Marion, 129 N.C. 345, 40 S.E. 116 (1901); Fitzgerald v. Concord, 140 N.C. 110, 52 S.E. 309 (1905); Graham v. City of Charlotte, 186 N.C. 649, 120 S.E. 466 (1923); Michaux v. City of Rocky Mount, 193 N.C. 550, 137 S.E. 663 (1927); Speas v. City of Greensboro, 204 N.C. 239, 167 S.E. 807 (1933); Radford v. City of Asheville, 219 N.C. 185, 13 S.E.2d 256 (1941); Waters v. Town of Belhaven, 222 N.C. 20, 21 S.E.2d 840 (1942); Millar v. Town of Wilson, 222 N.C. 340, 23 S.E.2d 42 (1942); Hunt v. City of High Point, 226 N.C. 74, 36 S.E.2d 694 (1946).

The governing authorities of a town or city have the duty imposed upon them by law of exercising ordinary care to maintain its streets and sidewalks in a condition reasonably safe for those who use them in a proper manner. Faw v. Town of North Wilkesboro, 253 N.C. 406, 117 S.E.2d 14 (1960); Mosseller v. City of Asheville, 267 N.C. 104, 147 S.E.2d 558 (1966).

Municipalities may be liable in tort for failure to maintain their streets in a reasonably safe condition, and they are now required to do so by this section. McClellan v. City of Concord, 16 N.C. App. 136, 191 S.E.2d 430 (1972).

A municipality may be held liable for negligent or wanton failure to keep its streets in proper repair and in a reasonably safe condition. Bowman v. Town of Granite Falls, 21 N.C. App. 333, 204 S.E.2d 239 (1974).

It is the duty of the city to exercise a reasonable and continuing supervision over its streets in order that it may know their condition and, it is held to have knowledge of a defect which such inspection would have disclosed to it. Mosseller v. City of Asheville, 267 N.C. 104, 147 S.E.2d 558 (1966).

And to Use Due Care to Keep Them in Reasonably Safe Condition. — While the city is not an insurer of the safety of one who uses its streets and sidewalks, it is under a duty to use due care to keep its streets and sidewalks in a reasonably safe condition for the ordinary use thereof. Mosseller v. City of Asheville, 267 N.C. 104, 147 S.E.2d 558 (1966).

In Willis v. City of New Bern, 191 N.C. 507, 132 S.E. 286 (1926) it is said that streets shall be constructed in a reasonably safe manner, and to this end ordinary care must be exercised at all times. They shall be kept in proper repair or in a reasonably safe condition to the extent that this can be accomplished by proper and reasonable care and continuing supervision. Hunt v. City of High Point, 226 N.C. 74, 36 S.E.2d 694 (1946).

The exercise of the due care in keeping streets and public ways safe and in suitable condition is a positive obligation imposed upon a municipal corporation. Kaplan v. City of Winston-Salem, 21 N.C. App. 168, 203 S.E.2d 653 (1974).

And to Discover Defects. — The city's duty to inspect and discover defects in its streets does not go beyond the duty to exercise reasonable care in that respect. Mosseller v. City of Asheville, 267 N.C. 104, 147 S.E.2d 558 (1966).

But Municipality Is Not Insurer of Condition of Streets. — While it is the duty of the city to keep its streets in such repair that they are reasonably safe for public travel, it is not an insurer of such condition nor does it warrant that they shall at all times be absolutely safe. A city is only responsible for a negligent breach of duty. Fitzgerald v. Concord, 140 N.C. 110, 52 S.E. 309 (1905).

Duty to Take Measures to Avert Injury. — Negligent failure to take such measures as ordinary prudence requires to avert injury, where the municipality has actual or imputable knowledge of the dangerous condition, will render municipality liable for injury proximately caused. Hunt v. City of High Point, 226 N.C. 74, 36 S.E.2d 694 (1946).

Liability arises only for a negligent breach of duty. Faw v. Town of North Wilkesboro, 253 N.C. 406, 117 S.E.2d 14 (1960); Mosseller v. City of Asheville, 267 N.C. 104, 147 S.E.2d 558 (1966).

Necessity for Notice of Defect. — Since the liability depends upon the negligence of the city, it is evident that before such negligence can exist the city must have had notice of the defect or with the exercise of reasonable diligence would have had notice of it. Jones v. City of Greensboro, 124 N.C. 310, 32 S.E. 675 (1899).

Notice of a defect in a street, actual or constructive, and a failure to act on the part of the municipality to remedy the situation are prerequisites to recovery in an action involving a municipality. Bowman v. Town of Granite Falls, 21 N.C. App. 333, 204 S.E.2d 239 (1974).

Plaintiff Must Prove Notice. — So in order to establish responsibility, it is not sufficient to show that a defect existed and an injury has been caused thereby. It must be further shown that the officers of the town "knew, or by ordinary diligence might have discovered, the defect, and the character of the defect was such that injuries to travellers therefrom might reasonably be anticipated." Jones v. City of

Greensboro, 124 N.C. 310, 32 S.E. 675 (1899); Fitzgerald v. Concord, 140 N.C. 110, 52 S.E. 309 (1905); Faw v. Town of North Wilkesboro, 253 N.C. 406, 117 S.E.2d 14 (1960).

It is necessary for a complaining party to show more than the existence of a defect in the street or sidewalk and the injury; he must also show that the officers of the town or city knew, or by ordinary diligence, might have known of the defect, and the character of the defect was such that injuries to travellers using its street or sidewalk in a proper manner might reasonably be foreseen. Mosseller v. City of Asheville, 267 N.C. 104, 147 S.E.2d 558 (1966).

Notice of Defect Itself Must Be Shown. — The notice, actual or implied, of a highway defect causing injuries which a municipality must receive as a condition precedent of liability for those injuries, is notice of the defect itself which occasioned the injury, and not merely of conditions naturally productive of that defect and subsequently in fact producing it. Mosseller v. City of Asheville, 267 N.C. 104, 147 S.E.2d 558 (1966).

Implied Notice. — When observable defects in a highway have existed for a time so long that they ought to have been observed, notice of them is implied. Fitzgerald v. Concord, 140 N.C. 110, 52 S.E. 309 (1905).

Actual notice of a defect is not required. Notice of a dangerous condition in a street or sidewalk will be imputed to the town or city, if its officers should have discovered it in the exercise of due care. Faw v. Town of North Wilkesboro, 253 N.C. 406, 117 S.E.2d 14 (1960); Mosseller v. City of Asheville, 267 N.C. 104, 147 S.E.2d 558 (1966).

Implied Notice Is Usually Question for Jury. — On the question of notice implied from the continued existence of a defect, no definite or fixed rule can be laid down as to the time required, and it is usually a question for the jury on the facts and circumstances of each particular case. Fitzgerald v. Concord, 140 N.C. 110, 52 S.E. 309 (1905).

Notice of Latent Defects. — Notice of latent defects should not be so readily presumed from their continuance as open and obvious defects. Fitzgerald v. Concord, 140 N.C. 110, 52 S.E. 309 (1905).

Character of Defect Must Be Shown. — To recover for injuries received from a fall on a defective street, the plaintiff must not only show that the city knew of the defect but must go further and show that the character of the defect was such that injuries to travellers using its street or sidewalk in a proper manner might reasonably be foreseen. Mosseller v. City of Asheville, 267 N.C. 104, 147 S.E.2d 558 (1966).

Trivial Defects Will Not Make City Liable. — It is not every defect in a street or sidewalk which will render a city liable to a person who falls as a result thereof. Trivial defects, which are not naturally dangerous, will not make the city liable for injuries occasioned thereby. Mosseller v. City of Asheville, 267 N.C. 104, 147 S.E.2d 558 (1966).

Independent Contributory Cause. — When two causes combine to produce an injury to a traveler on a highway, both of which are in their nature proximate — the one being a culpable defect in the highway, and the other some occurrence for which neither party is responsible — the municipality is liable, provided the injury would not have been sustained but for such defect. Dillon v. City of Raleigh, 124 N.C. 184, 32 S.E. 548 (1889).

Liability for Obstructions. — A city does not have discretionary power to put obstructions in its streets, and it is liable for its negligence in putting or leaving obstructions in the street to one injured by such obstruction. Graham v. City of Charlotte, 186 N.C. 649, 120 S.E. 466 (1923).

Bridges Must Be as Wide as Street. — A city under the authority of this section in building and repairing streets has no right in building a bridge to obstruct the street with concrete pilasters, and for injuries caused by such obstruction it is liable. Graham v. City of Charlotte, 186 N.C. 649, 120 S.E. 466 (1923).

Obstructions — Joint Liability with Private Individual. — If any person shall unlawfully erect an obstruction or nuisance in the streets of a city, and the town authorities shall permit it to remain an unreasonable length of time, the town and the tort-feasor are jointly and severally liable to the traveler for an injury resulting therefrom, without any fault on his part. The question of primary and secondary liability is for the offending parties to adjust between themselves. Dillon v. City of Raleigh, 124 N.C. 184, 32 S.E. 548 (1899).

An individual may restrain the wrongful obstruction of a public way, of whatever origin, if he will suffer injury thereby as distinct from the inconvenience to the public generally, and he may recover such special damages as he has sustained by reason of the obstruction. Wofford v. North Carolina State Hwy. Comm'n, 263 N.C. 677, 140 S.E.2d 376, cert. denied, 382 U.S. 822, 86 S. Ct. 50, 15 L. Ed. 2d 67 (1965).

Failure to Light Street. — While a city may not be under legal necessity of lighting its streets at all, where it does maintain street lights its failure to provide lighting which is reasonably required at a particular place because of the dangerous condition of street is negligent failure to discharge its duty to maintain the streets in a reasonably safe condition for travel. Hunt v. City of High Point, 226 N.C. 74, 36 S.E.2d 694 (1946).

A municipality is responsible for the condition of its sidewalks. Dunning v. Forsyth Whse. Co., 272 N.C. 723, 158 S.E.2d 893 (1968).

It is generally held that the duty of keeping sidewalks in a reasonably safe condition rests

primarily on a municipality. Kaplan v. City of Winston-Salem, 21 N.C. App. 168, 203 S.E.2d 653 (1974).

But one other than the municipality may be held liable for injuries caused by a defect in the sidewalk if he created the defect. Dunning v. Forsyth Whse. Co., 272 N.C. 723, 158 S.E.2d 893 (1968).

Liability of Abutting Owner as to Pedestrians. — Insofar as pedestrians are concerned, any liability of owner, or of occupant of abutting property, for hazardous condition existent upon adjacent sidewalk is limited to conditions created or maintained by him, and must be predicated upon his negligence in that respect. Dunning v. Forsyth Whse. Co., 272 N.C. 723, 158 S.E.2d 893 (1968).

Abutting Owner Has No Right to Remove Nuisance. — When a street is repaired or changed by a city so as to damage an owner of the fee in the street or to cause a nuisance the owner has no right to change the condition of the street so as to remove the nuisance or lessen the damage, and such act will subject him to indictment. State v. Wilson, 107 N.C. 865, 12 S.E. 320 (1890).

Ratification of Unauthorized Repair by City. — When an unauthorized person does an act of repair to streets that might have been done by a city, a ratification by the city will relieve him of any liability as a trespasser. Wolfe v. Pearson, 114 N.C. 621, 19 S.E. 264 (1894).

City Cannot Plead Governmental Immunity. — A municipality cannot, with impunity, create in its streets a condition palpably dangerous, neglect to provide the most ordinary means of protection against it, and avoid liability for proximate injury on the plea of governmental immunity. Hunt v. City of High Point, 226 N.C. 74, 36 S.E.2d 694 (1946); Kaplan v. City of Winston-Salem, 21 N.C. App. 168, 203 S.E.2d 653 (1974).

As an exception to the doctrine of governmental immunity, it has been uniformly held in this jurisdiction that municipalities may be held liable in tort for failure to maintain their streets in a reasonably safe condition, and they are now required by this section to do so. Clark v. Scheld, 253 N.C. 732, 117 S.E.2d 838 (1961).

A municipality may not undertake a task of street improvement or repair in a careless or negligent fashion and then seek to escape liability by invoking the privilege of governmental immunity. Kaplan v. City of Winston-Salem, 21 N.C. App. 168, 203 S.E.2d 653 (1974).

Maintenance Tasks Must Be Performed in Competent Manner. — The duty to maintain sidewalks and streets in a safe condition carries with it a correlative duty to perform these maintenance tasks in a competent manner or suffer the consequences of negligently inflicted damage which is foreseeable. Kaplan v. City of Winston-Salem, 21 N.C. App. 168, 203 S.E.2d 653 (1974).

The opening and closing of streets is a governmental function. Bessemer Imp. Co. v. City of Greensboro, 247 N.C. 549, 101 S.E.2d 336 (1958).

It Is Discretionary Power. — Defendant town, in cooperation with the federal and State authorities in procuring the construction of an underpass and the elimination of two grade crossings, closed two of its streets at the railroad crossings. This action was instituted by property holders adjacent to the railroad tracks and along one of the closed streets, alleging that the order closing the streets was ultra vires and resulted in the creation of a nuisance causing injury to plaintiffs' property. It was held that defendant town had authority, under express provision of its charter and under this section to close the said streets at the crossings in the interest of public welfare, and, therefore, the closing of the streets was in the exercise of a discretionary governmental power with which the courts can interfere only in instances of fraud or oppression constituting a manifest abuse of discretion and did not constitute a nuisance or abuse of discretion, defendant town's demurrer to the complaint was properly sustained. Sanders v. Atlantic Coast Line R.R., 216 N.C. 312, 4 S.E.2d 902 (1939).

And Exclusive. — A municipal corporation is usually given express power by its charter to lay out and open streets. Such charter provisions are supplemented by our general statutes. Under the power thus conferred the municipal authorities are the sole judges of the necessity or expediency of exercising that right. Its power over its streets is exclusive. Waynesville v. Satterthwait, 136 N.C. 226, 48 S.E. 661 (1904); Moore v. Meroney, 154 N.C. 158, 69 S.E. 838 (1910); Michaux v. City of Rocky Mount, 193 N.C. 550, 137 S.E. 663 (1927). Authorities of the county embracing such municipality are precluded from exercising the same power within the same territory. Parsons v. Wright, 223 N.C. 520, 27 S.E.2d 534 (1943).

All or Part of Street May Be Closed. — Whether a street lies in a subdivision or is of other origin, the city may close all or part of it upon compliance with statutory procedure. Wofford v. North Carolina State Hwy. Comm'n, 263 N.C. 677, 140 S.E.2d 376, cert. denied, 382 U.S. 822, 86 S. Ct. 50, 15 L. Ed. 2d 67 (1965).

But the closing of a street must not deprive a property owner of reasonable ingress or egress. Wofford v. North Carolina State Hwy. Comm'n, 263 N.C. 677, 140 S.E.2d 376, cert. denied, 382 U.S. 822, 86 S. Ct. 50, 15 L. Ed. 2d 67 (1965).

Diminution of Access from Change of Grade Is Damnum Absque Injuria. — When a city acts for public convenience under the authority granted it by the legislature and raises or lowers

the grade of a street, any diminution of access by an abutting property owner is damnum absque injuria. The abutting property owner can neither prevent the change by injunction nor recover damages for the diminished value of his property, when the work is done in conformity with plans designated to promote public convenience. Thompson v. Seaboard Air Line R.R., 248 N.C. 577, 104 S.E.2d 181 (1958).

Narrowing Sidewalk. — An abutting owner may not recover from a city damages resulting to his property by reason of the fact that the abutting sidewalk has been narrowed in order to widen the street under orders of the city commissioners, the width of the street and sidewalk being within the sound discretion of the commissioners. Ham v. City of Durham, 205 N.C. 107, 170 S.E. 137 (1933).

Power to Regulate Crossings. — The right of the city government, both under its police powers and the several statutes applicable to require railroads to construct bridges or viaducts, along streets running over their tracks, is fully established in this jurisdiction and is recognized in well-considered cases elsewhere. Atlantic Coastline R.R. v. City of Goldsboro, 155 N.C. 356, 71 S.E. 514 (1911); Powell v. Seaboard Air Line Ry., 178 N.C. 243, 100 S.E. 424 (1919); Northern Pac. Ry. v. Minnesota ex rel. Duluth, 208 U.S. 583, 28 S. Ct. 341, 52 L. Ed. 630 (1908).

A city has both inherent power and authority by general statute over its streets for the protection of its citizens, which is not taken from it by § 62-50, conferring like powers upon the Utilities Commission. City of Durham v. Southern Ry., 185 N.C. 240, 117 S.E. 17 (1923).

The exercise by the State of its power to provide for the safety of its citizens with respect to grade crossings of its streets by a railroad company is within its police powers, and may be exercised by municipal corporations under authority conferred on them, and not being delegated to the national government, it is not affected by federal legislation upon interstate commerce or the Federal Transportation Act. City of Durham v. Southern Ry., 185 N.C. 240, 117 S.E. 17 (1923), aff'd, 266 U.S. 178, 45 S. Ct. 51, 69 L. Ed. 231 (1924).

A city charter giving a city specific authority to erect gates at a railroad crossing, or to require the railroad company to place a flagman there to warn pedestrians, with provision that such authority shall not be exclusive, does not limit the authority of the city therein, or take from it the inherent and statutory right to require that the railroad company construct an underpass for the protection of the public. City of Durham v. Southern Ry., 185 N.C. 240, 117 S.E. 17 (1923).

Regulation of Selling from Mobile Units on Streets. — In the exercise of express powers conferred upon municipal corporations by the General Assembly a municipal corporation has the implied power to adopt an ordinance providing for the reasonable regulation, but not for the prohibition, of the sale and offering for sale of merchandise upon its streets from mobile units. State v. Byrd, 259 N.C. 141, 130 S.E.2d 55 (1963), decided prior to the 1963 amendment which added subdivision (42) of former § 160-200 giving authority to prohibit peddlers, etc. (now § 160A-178).

Use of Streets for Other Purposes. — "While it is the duty of a municipal corporation to use reasonable care to keep its streets in a safe condition to drive upon, it has the right to devote the sides of the streets to other useful public purposes, provided it leaves an unobstructed driveway of ample width for the passage of teams. It may construct sidewalks for a higher grade and gutters of a lower grade than the driveway, place curbing on the line of the gutters, erect hydrants and authorize the erection of hitching posts and stepping stones as well as poles to support the wires of telegraph and telephone lines." Dougherty v. Horseheads, 159 N.Y. 154, 53 N.E. 799 (1912), quoted in Rollins v. City of Winston-Salem, 176 N.C. 411, 97 S.E. 211 (1918).

Adjoining Owner Takes Title Subject to City's Powers. — The purchaser of a lot abutting a public street, whatever the origin of the street, takes title subject to the authority of the city to control and limit its use and to abandon or close it under lawful procedure. Wofford v. North Carolina State Hwy. Comm'n, 263 N.C. 677, 140 S.E.2d 376, cert. denied, 382 U.S. 822, 86 S. Ct. 50, 15 L. Ed. 2d 67 (1965).

A city may acquire and operate its own tow-in vehicles. In such case, it may direct its police officers to call city owned tow-in vehicles exclusively, where the owner of the disabled automobile makes no selection himself, and it may, in the interest of safety, forbid privately owned tow-in vehicles to go to the scene of an accident without first having been called by the owner of a disabled vehicle or by the police. S & R Auto & Truck Serv., Inc. v. City of Charlotte, 268 N.C. 374, 150 S.E.2d 743 (1966).

Or May Instruct Police Officers to Call Privately Owned Towing Service. — In lieu of using its own vehicles, a city may instruct its police officers to call a privately owned towing service; it may leave the selection of such service to the discretion of the officer at the scene of the accident. S & R Auto & Truck Serv., Inc. v. City of Charlotte, 268 N.C. 374, 150 S.E.2d 743 (1966).

§ 160A-297. Streets under authority of Board of Transportation. — (a) A city shall not be responsible for maintaining streets or bridges under the

authority and control of the Board of Transportation, and shall not be liable for injuries to persons or property resulting from any failure to do so.

(b) A city may, at its own expense, widen any street or bridge under the authority and control of the Board of Transportation, subject to the Board of Transportation's engineering and design specifications.

(c) Nothing in this Article shall authorize any city to interfere with the rights and privileges of the Board of Transportation with respect to streets and bridges under the authority and control of the Board of Transportation. (1925, c. 71, s. 3; 1957, c. 65, s. 11; 1971, c. 698, s. 1; 1973, c. 507, s. 5.)

Subsection (a) is intended to apply where there is no contract between a city and the Board of Transportation and does not, per se, absolve a city from liability for injury, if any, imposed upon it by such contract. Matternes v. City of Winston-Salem, 286 N.C. 1, 209 S.E.2d 481 (1974).

Liability of City where Maintenance Contracted. — An individual user of a street which is part of the State highway system who sustains personal injuries or property damage as the result of a dangerous condition of such street cannot maintain an action for damages against a city which contracted with the Board of Transportation to repair or remove such condition and then did nothing whatsoever about it. Matternes v. City of Winston-Salem, 286 N.C. 1, 209 S.E.2d 481 (1974).

§ 160A-298. Railroad crossings. — (a) A city shall have authority to direct, control, and prohibit the laying of railroad tracks and switches in public streets and alleys and to require that all railroad tracks, crossings, and bridges be constructed so as not to interfere with drainage patterns or with the ordinary travel and use of the public streets and alleys.

(b) The costs of constructing, reconstructing, and improving public streets and alleys, including the widening thereof, within areas covered by railroad cross ties, including cross timbers, shall be borne equally by the city and the railroad company. The costs of maintaining and repairing such areas after construction shall be borne by the railroad company.

(c) A city shall have authority to require the installation, construction, erection, reconstruction, and improvement of warning signs, gates, lights, and other safety devices at grade crossings, and the city shall bear ninety percent (90%) of the costs thereof and the railroad company shall bear ten percent (10%) of the costs. The costs of maintaining warning signs, gates, lights, and other safety devices installed after January 1, 1972, shall be borne equally by the city and the railroad company. The maintenance shall be performed by the railroad company and the city shall pay annually to the railroad company fifty percent (50%) of these costs. In maintaining maintenance cost records and determining such costs, the city and the railroad company shall use the same methods and procedures as are now or may hereafter be used by the Board of Transportation.

(d) A city shall have authority to require that a grade crossing be eliminated and replaced by a railroad bridge or by a railroad underpass, if the council finds as a fact that the grade crossing constitutes an unreasonable hazard to vehicular or pedestrian traffic. In such event, the city shall bear ninety percent (90%) of the costs and the railroad company shall bear ten percent (10%) of the costs. If the city constructs a new street which requires a grade separation and which does not replace an existing street, the city shall bear all of the costs. If a railroad company constructs a new track across at grade, or under, or over an existing street, the railroad company shall pay the entire cost thereof. The city shall pay the costs of maintaining street bridges which cross over railroads. Railroad companies shall pay the cost of maintaining railroad bridges over streets, except that cities shall pay the costs of maintaining street pavement, sidewalks, street drainage, and street lighting where streets cross under railroads.

(e) Whenever the widening, improving, or other changes in a street require that a railroad bridge be relocated, enlarged, heightened, or otherwise

reconstructed, the city shall bear ninety percent (90%) of the costs and the railroad company shall bear ten percent (10%) of the costs.

(f) It is the intent of this section to make uniform the law concerning the construction and maintenance of railroad crossings, bridges, underpasses, and warning devices within cities. To this end, all general laws and local acts in conflict with this section are repealed, and no local act taking effect on or after January 1, 1972, shall be construed to modify, amend, or repeal any portion of this section unless it specifically so provides by express reference to this section. (1917, c. 136, subch. 5, s. 1; 1919, cc. 136, 237; C. S., s. 2787; 1971, c. 698, s. 1; 1973, c. 507, s. 5.)

Cross Reference. — See note to § 160A-296.

Cost of Automatic Signal Devices at Railroad Crossings. — A city has authority, in the exercise of its police power to promote public safety and convenience, to allocate to a railway company some portion of the costs of the installation and maintenance of automatic signal devices at road crossings. Allocations so made would constitute a denial of a railway company's constitutional right to substantive due process only if the proportion of the costs allocated to it was so unreasonable as to constitute an arbitrary taking of its property. Southern Ry. v. City of Winston-Salem, 275 N.C. 465, 168 S.E.2d 396 (1969) (decided under former § 160-200).

§ 160A-299. Procedure for permanently closing streets and alleys. — (a) When a city proposes to permanently close any street or public alley, the council shall first adopt a resolution declaring its intent to close the street or alley and calling a public hearing on the question. The resolution shall be published once a week for four successive weeks prior to the hearing, a copy thereof shall be sent by registered or certified mail to all owners of property adjoining the street or alley as shown on the county tax records, and a notice of the closing and public hearing shall be prominently posted in at least two places along the street or alley. If the street or alley is under the authority and control of the Board of Transportation, a copy of the resolution shall be mailed to the Board of Transportation. At the hearing, any person may be heard on the question of whether or not the closing would be detrimental to the public interest, or the property rights of any individual. If it appears to the satisfaction of the council after the hearing that closing the street or alley is not contrary to the public interest, and that no individual owning property in the vicinity of the street or alley or in the subdivision in which it is located would thereby be deprived of reasonable means of ingress and egress to his property, the council may adopt an order closing the street or alley. A certified copy of the order (or judgment of the court) shall be filed in the office of the register of deeds of the county in which the street, or any portion thereof, is located.

(b) Any person aggrieved by the closing of any street or alley including the Board of Transportation if the street or alley is under its authority and control, may appeal the council's order to the General Court of Justice within 30 days after its adoption. The court shall hear the matter de novo, and shall have full jurisdiction to try the issues arising and to order the street or alley closed upon proper findings of fact by the jury. No cause of action or defense founded upon the invalidity of any proceedings taken in closing any street or alley may be asserted, nor shall the validity of the order be open to question in any court upon any ground whatever, except in an action or proceeding begun within 30 days after the order is adopted.

(c) Upon the closing of a street or alley in accordance with this section, all right, title, and interest in the right-of-way shall be conclusively presumed to be vested in those persons owning lots or parcels of land adjacent to the street or alley, and the title of such adjoining landowners, for the width of the abutting land owned by them, shall extend to the center line of the street or alley.

(d) This section shall apply to any street or public alley that has been irrevocably dedicated to the public, without regard to whether it has actually been opened.

(e) No street or alley under the control of the Board of Transportation may be closed unless the Board of Transportation consents thereto. (1971, c. 698, s. 1; 1973, c. 426, s. 47; c. 507, s. 5.)

Local Modification. — City of Durham: 1973, c. 415.

§ 160A-299.1. Applications for intermittent closing of roads within watershed improvement project by municipality; notice; costs; markers. — (a) Upon proper application by the board of commissioners of a drainage district established under the provisions of Chapter 156 of the General Statutes by the board of trustees of a watershed improvement district established under the provisions of Article 2 of Chapter 139 of the General Statutes, by the board of county commissioners of any county operating a county watershed improvement program under the provisions of Article 3 of Chapter 139 of the General Statutes, by the board of commissioners of any watershed improvement commission appointed by a board of county commissioners, or by the board of supervisors of any soil and water conservation district designated by a board of county commissioners to exercise authority in carrying out a county watershed improvement program, any municipality for roads or streets coming under its jurisdictional control is hereby authorized to permit the intermittent closing of any highway or public road within the boundaries of any watershed improvement project operated by the applicants, whenever in the judgment of the municipality it is necessary to do so, and when the highway or public road will be intermittently subject to inundation by floodwaters retained by an approved watershed improvement project.

(b) Before any permit may be issued for the temporary inundation and closing of such a road, an application for such permit shall be made to the appropriate municipality by the public body having jurisdiction over the watershed improvement project. The application shall specify the highway, road, or street involved, and shall request that a permit be granted to the applicant public body to allow the intermittent closing of the road.

(c) Upon receipt of such an application the municipality shall give public notice of the proposed action by publication in a newspaper of general circulation in the county or counties, within which the proposed intermittent closing of road or roads would occur; and such notices shall contain a description of the places of beginning and the places of ending of such intermittent closing. In addition, the municipality shall give notice to all public utilities or common carriers having facilities located within the rights-of-way of any roads being closed by mailing copies of such notices to the appropriate offices of the public utility or common carrier having jurisdiction over the affected facilities of the public utility or common carrier. Not sooner than 14 days after publication and mailing of notices, the municipality may issue its permit with respect to such road.

(d) All cost in connection with the publication and mailing of notices shall be paid by the applicant. In the event any municipality issues a permit allowing the intermittent closing of a road, the permit shall contain a provision that the applicant public body having jurisdiction over the watershed improvement project causing the potential flooding shall cause suitable markers to be installed on the road to advise the general public of the intermittent closing of the road. (1975, c. 639, s. 2.)

§ 160A-300. Traffic control. — A city may by ordinance prohibit, regulate, divert, control, and limit pedestrian or vehicular traffic upon the public streets,

sidewalks, alleys, and bridges of the city. (1917, c. 136, subch. 5, s. 1; 1919, cc. 136, 237; C. S., s. 2787; 1941, c. 153, ss. 1, 2; c. 272; 1947, c. 7; 1953, c. 171; 1965, c. 945; 1971, c. 698, s. 1.)

Editor's Note. — The cases cited in the following note were decided under former § 160-200.

For note on trend away from governmental immunity to liability for a defective traffic signal, see 6 Wake Forest Intra. L. Rev. 518 (1970).

Regulation of Traffic and Use of Streets. — Every municipal corporation has specific statutory authority to adopt such ordinances for the regulation and use of its streets as it deems best for the public welfare of its citizens and to provide for the regulation and diversion of vehicular traffic upon its streets. Gene's, Inc. v. City of Charlotte, 259 N.C. 118, 129 S.E.2d 889 (1963).

The installation and maintenance of traffic lights by a municipality is in the interest of the public safety in the exercise of the police power and is a discretionary governmental function. Hodges v. City of Charlotte, 214 N.C. 737, 200 S.E. 889 (1939).

Subsections (11) and (31) of former § 160-200 authorized the erection of automatic traffic control lights by municipalities. Upchurch v. Hudson Funeral Home, Inc., 263 N.C. 560, 140 S.E.2d 17 (1965).

While municipalities are not required to install electrical traffic control signals, they may do so as an exercise of their police power. Rappe v. Carr, 4 N.C. App. 497, 167 S.E.2d 48 (1969).

The installation and maintenance of electrical traffic control signals in and by municipalities are governmental functions and not proprietary or corporate functions. Rappe v. Carr, 4 N.C. App. 497, 167 S.E.2d 48 (1969).

In the installation and maintenance of traffic light signals, a city exercises a discretionary governmental function solely for the benefit of the public and may not be held liable for negligence of its officers and agents in respect thereto. Hamilton v. Hamlet, 238 N.C. 741, 78 S.E.2d 770 (1953).

§ 160A-301. Parking. — (a) On-Street Parking. — A city may by ordinance regulate, restrict, and prohibit the parking of vehicles on the public streets, alleys, and bridges within the city. When parking is permitted for a specified period of time at a particular location, a city may install a parking meter at that location and require any person parking a vehicle therein to place the meter in operation for the entire time that the vehicle remains in that location, up to the maximum time allowed for parking there. Parking meters may be activated by coins or tokens. Proceeds from the use of parking meters on public streets must be used to defray the cost of enforcing and administering traffic and parking ordinances and regulations.

(b) Off-Street Parking. — A city may by ordinance regulate the use of lots, garages, or other facilities owned or leased by the city and designated for use by the public as parking facilities. The city may impose fees and charges for the use of these facilities, and may provide for the collection of these fees and charges through parking meters, attendants, automatic gates, or any other feasible means. The city may make it unlawful to park any vehicle in an off-street parking facility without paying the established fee or charge and may ordain other regulations pertaining to the use of such facilities.

Revenues realized from off-street parking facilities may be pledged to amortize bonds issued to finance such facilities, or used for any other public purpose.

(c) Nothing contained in Public Laws 1921, Chapter 2, Section 29, or Public Laws 1937, Chapter 407, Section 61, shall be construed to affect the validity of a parking meter ordinance or the revenues realized therefrom. (1917, c. 136, subch. 5, s. 1; 1919, cc. 136, 237; C. S., s. 2787; 1941, c. 153, ss. 1, 2; c. 272; 1947, c. 7; 1953, c. 171; 1965, c. 945; 1971, c. 698, s. 1; 1973, c. 426, s. 48.)

Editor's Note. — The cases cited in the following note were decided under former § 160-200(31).

Constitutionality Not Affected by Britt v. City of Wilmington, 236 N.C. 446, 73 S.E.2d 289 (1952). — See opinion of Attorney General to Mr.

Rufus C. Boutwell, Jr., 43 N.C.A.G. 141 (1973).

Prohibiting Parking in Certain Places. — A city ordinance prohibiting parking of automobiles on one side of a street on certain blocks where, because of the narrowness of the street, there is insufficient room for cars to pass between parked cars and a streetcar track in the street, was valid in the light of subdivision (31) of former § 160-200. State v. Carter, 205 N.C. 761, 172 S.E. 415 (1934).

A municipality may require a motorist who parks his vehicle in a parking meter zone to set the meter in operation by depositing a coin, provided that the deposit of the coin is the method selected by its governing body in the exercise of its discretion for the purpose of regulating parking in the interest of the public convenience and not as a revenue raising measure. State v. Scoggin, 236 N.C. 1, 72 S.E.2d 97 (1952).

The deposit of a coin by a motorist at the time of parking, to activate the parking meter, is not a fee or charge or toll for using the parking space. It is simply the method adopted by the governing authorities of the city for putting the meter in operation. The revenue derived therefrom is expressly set apart and dedicated to a particular use by the legislature in the act granting authority to municipalities to regulate parking in areas congested by motor traffic by the use of parking meters. Britt v. City of Wilmington, 236 N.C. 446, 73 S.E.2d 289 (1952).

But Revenue Derived Is in the Nature of a Tax. — The revenue derived from the on-street parking facilities is exacted in the performance of a governmental function. It must be set apart and used for a specific purpose. By whatever name called, it is in the nature of a tax. Britt v. City of Wilmington, 236 N.C. 446, 73 S.E.2d 289 (1952).

Validity of Parking Meter Ordinances. — Where a municipal ordinance prescribes one-hour and two-hour parking meter zones upon the deposit of a five-cent coin, the ordinance may permit by nonpenal provisions that a motorist may deposit a one-cent coin for a shorter length of time, provided the motorist may, by depositing additional pennies, not to exceed a total of five, remain in the parking space for the total length of time prescribed by the ordinance for such zone. State v. Scoggin, 236 N.C. 1, 72 S.E.2d 97 (1952).

Where a municipal ordinance prescribes that parking in a designated zone should be limited to one hour, a motorist cannot be convicted of overtime parking when he parks in such zone for less than the prescribed one-hour period, and a provision of the ordinance that a motorist should be subject to criminal prosecution if he parks in the one-hour zone for longer than 12 minutes upon the deposit of a one-cent coin, or 24 minutes upon the deposit of two one-cent coins for successive periods, is held unconstitutional as being discriminatory and as making the period of time dependent not upon public convenience but upon the amount of money deposited. State v. Scoggin, 236 N.C. 1, 72 S.E.2d 97 (1952).

Contract Binding City to Enact Parking Meter Ordinance. — A municipality may not bind itself to enact or enforce on-street and off-street parking regulations by penal ordinance for the period during which bonds issued to provide off-street parking facilities should be outstanding, since it may not contract away or bind itself in regard to its freedom to enact governmental regulations. Britt v. City of Wilmington, 236 N.C. 446, 73 S.E.2d 289 (1952).

In Town of Graham v. Karpark Corp., 194 F.2d 616 (4th Cir. 1952), it was held that a contract made with a parking meter manufacturer by city commissioners whereby they agreed to enact ordinances requiring parking meters and to enforce these ordinances until the meters were paid for, did not constitute a bargaining away of governmental powers, but was valid and binding upon the commissioners' successors in office.

§ 160A-302. Off-street parking facilities. — A city shall have authority to own, acquire, establish, regulate, operate, and control off-street parking lots, parking garages, and other facilities for parking motor vehicles, and to make a charge for the use of such facilities. (1917, c. 136, subch. 5, s. 1; 1919, cc. 136, 237; C. S., s. 2787; 1941, c. 153, ss. 1, 2; c. 272; 1947, c. 7; 1953, c. 171; 1965, c. 945; 1971, c. 698, s. 1.)

§ 160A-302.1. Fishing from bridges regulated. — The governing body of any city is hereby authorized to enact an ordinance prohibiting or regulating fishing from any bridge for the purpose of protecting persons fishing on the bridge from passing vehicular or rail traffic. Such ordinance may also prohibit or regulate fishing from any bridge one mile beyond the corporate limits of the city where the board or boards of county commissioners by resolution agree to such prohibition or regulation; provided, however, that the board or boards of county commissioners may upon 30 days' written notice withdraw their respective approval of the municipal ordinance, and that ordinance shall have no further effect within that county's jurisdiction. The ordinance shall provide that signs

shall be posted on any bridge where fishing is prohibited or regulated reflecting such prohibition or regulation. In any event, no one may fish from the drawspan of any regularly attended drawbridge.

The police department of the city is hereby vested with the jurisdiction and authority to enforce any ordinance passed pursuant to this section.

The authority granted under the provisions of this section shall be subject to the authority of the Board of Transportation to prohibit fishing on any bridge on the State highway system. (1971, c. 690, ss. 2, 3, 6; c. 896, s. 15; 1973, c. 426, s. 49; c. 507, s. 5.)

Editor's Note. — This section was originally codified as subdivision (47) of former § 160-200. It was transferred to its present position by Session Laws 1971, c. 896, s. 15.

§ 160A-303. Removal and disposal of junked and abandoned motor vehicles. — (a) A city may by ordinance prohibit the abandonment of motor vehicles on the public streets or on public or private property within the city, and may enforce any such ordinance by removing and disposing of junked or abandoned motor vehicles according to the procedures prescribed in this section.

(b) A motor vehicle is defined to include all machines designed or intended to travel over land or water by self-propulsion or while attached to any self-propelled vehicle. An abandoned motor vehicle is one that:

(1) Has been left upon a street or highway in violation of a law or ordinance prohibiting parking; or

(2) Is left on property owned or operated by the city for longer than 24 hours; or

(3) Is left on private property without the consent of the owner, occupant, or lessee thereof for longer than two hours; or

(4) Is left on any public street or highway for longer than seven days.

A junked motor vehicle is an abandoned motor vehicle that also:

(1) Is partially dismantled or wrecked; or

(2) Cannot be self-propelled or moved in the manner in which it was originally intended to move; or

(3) Is more than five years old and worth less than one hundred dollars ($100.00); or

(4) Does not display a current license plate.

(c) Any junked or abandoned motor vehicle found to be in violation of an ordinance adopted under this section may be removed to a storage garage or area, but no such vehicle shall be removed from private property without the written request of the owner, lessee, or occupant of the premises unless the council or a duly authorized city official or employee has declared it to be a health or safety hazard. The city may require any person requesting the removal of a junked or abandoned motor vehicle from private property to indemnify the city against any loss, expense, or liability incurred because of the removal, storage, or sale thereof. When any junked or abandoned motor vehicle is removed, the city shall give written notice of the removal to the registered owner at his last known address according to the latest registration certificate or certificate of title on file with the Division of Motor Vehicles. The notice shall inform the owner of the possible sale or other disposition that can be made of the vehicle under this section. The owner may regain possession of the vehicle by paying to the city all reasonable costs incidental to the removal and storage. Notice need not be given to the registered owner of the vehicle when it does not display a license plate and the vehicle identification numbers have been removed or defaced so as to be illegible.

(d) After holding an unclaimed abandoned motor vehicle for 30 days, the city may sell or dispose of it as provided by this subsection. If the vehicle appears to be worth less than one hundred dollars ($100.00), the city may dispose of the

vehicle as a junked motor vehicle as provided by subsection (e) of this section. With the consent of the owner, the city may remove and dispose of any motor vehicle as a junked motor vehicle without regard to the value, condition or age of the vehicle, and without holding it for any prescribed period of time. If the vehicle is worth one hundred dollars ($100.00) or more it shall be sold at public auction. Twenty days' written notice of the sale shall be given to the registered owner at his last known address, the holders of all liens of record against the vehicle, and the Division of Motor Vehicles. Any person having an interest in the vehicle may redeem it at any time before the sale by paying all costs accrued to date. The proceeds of the sale shall be paid to the city treasurer who shall pay to the appropriate officers or persons the cost of removal, storage, investigation, sale, and liens in that order. The remainder of the proceeds of sale, if any, shall be paid over to the registered owner, or held by the city for 60 days if the registered owner cannot be located with reasonable diligence. If the owner does not claim the remainder of the proceeds within 60 days after the sale, the funds shall be deposited in the city's general fund and the owner's rights therein shall be forever extinguished. When it receives a city's bill of sale from a purchaser or other person entitled to receive any vehicle disposed of as provided in this subsection, the Division of Motor Vehicles shall issue a certificate of title for the vehicle as required by law.

(e) After holding an unclaimed junked motor vehicle for 15 days, the city may destroy it or sell it at private sale as junk. Within 15 days after final disposition of a junked motor vehicle, the city shall notify the Division of Motor Vehicles that the vehicle has been determined to be a junked motor vehicle and disposed of as such. The notice shall contain as full and accurate a description of the vehicle as can be reasonably determined. Any proceeds from the sale of a junked motor vehicle, after all costs of removal, storage, investigation and sale, and satisfying any liens of record on the vehicle have been deducted therefrom, shall be held by the city for 30 days and paid to the registered owner upon demand. If the owner does not appear to claim the proceeds within 30 days after disposal of the vehicle, the funds shall be deposited in the city's general fund and the owner's rights therein shall be forever extinguished.

(f) No person shall be held to answer in any civil or criminal action to any owner or other person legally entitled to the possession of any abandoned, lost, or stolen motor vehicle for disposing of the vehicle as provided in this section.

(g) Nothing in this section shall apply to any vehicle in an enclosed building or any vehicle on the premises of a business enterprise being operated in a lawful place and manner if the vehicle is necessary to the operation of the enterprise, or to any vehicle in an appropriate storage place or depository maintained in a lawful place and manner by the city.

(h) Subsections (d) and (e) of this section do not apply when the vehicle does not display a license plate and the vehicle identification numbers have been removed or defaced so as to be illegible. Such vehicles may be destroyed or sold at private sale (without regard to value) after being held for 48 hours. (1965, c. 1156; 1967, cc. 1215, 1250; 1971, c. 698, s. 1; 1973, c. 426, s. 50; 1975, c. 716, s. 5.)

Editor's Note. — The 1975 amendment substituted "Division" for "Department" in subsections (c), (d) and (e).

Opinions of Attorney General. — Mr. F.L. Hutchinson, Division Engineer, State Highway Commission, 40 N.C.A.G. 437 (1969) (issued under former § 160-200(44)).

A city may make provision for the removal of motor vehicles abandoned or disabled in its streets so as to promote the free flow of traffic therein. S & R Auto & Truck Serv., Inc. v. City of Charlotte, 268 N.C. 374, 150 S.E.2d 743 (1966) (decided under former § 160-200(44)).

§ 160A-303.1. Regulation of the placing of trash, refuse and garbage within municipal limits. — The governing body of any municipality is hereby authorized to enact an ordinance prohibiting the placing, discarding, disposing or leaving of any trash, refuse or garbage upon a street or highway located within that municipality or upon property owned or operated by the municipality unless such garbage, refuse or trash is placed in a designated location or container for removal by a specific garbage or trash service collector. Any ordinance adopted pursuant hereto may prohibit the placing, discarding, disposing or leaving of any trash, refuse or garbage upon private property located within the municipality without the consent of the owner, occupant, or lessee thereof and may provide that the placing, discarding, disposing or leaving of the articles forbidden by this section shall, for each day or portion thereof the articles or matter are left, constitute a separate offense.

The governing body of a municipality, in any ordinance adopted pursuant hereto, may provide that a person who violates the ordinance may be punished by a fine not exceeding fifty dollars ($50.00) or imprisoned not exceeding 30 days, or both, for each offense. (1973, c. 953.)

§ 160A-304. Regulation of taxis. — (a) A city may by ordinance license and regulate all vehicles operated for hire in the city. The ordinance may require that the drivers and operators of taxicabs engaged in the business of transporting passengers for hire over the public streets shall obtain a license or permit from the city. The following factors shall be deemed sufficient grounds for refusing to issue a permit or for revoking a permit already issued:

(1) Conviction of a felony against this State, or conviction of any offense against another state which would have been a felony if committed in this State;
(2) Violation of any federal or State law relating to the use, possession, or sale of intoxicating liquors or narcotic or barbiturate drugs;
(3) Addiction to or habitual use of intoxicating liquors or narcotic or barbiturate drugs;
(4) Violation of any federal or State law relating to prostitution;
(5) Noncitizenship in the United States;
(6) Habitual violation of traffic laws or ordinances.

The ordinance may also require operators and drivers of taxicabs to display prominently in each taxicab, so as to be visible to the passengers, the city taxi permit, the schedule of fares, a photograph of the driver, and any other identifying matter that the council may deem proper and advisable. The ordinance may also establish rates that may be charged by taxicab operators, may limit the number of taxis that may operate in the city, and may grant franchises to taxicab operators on any terms that the council may deem advisable.

(b) When a city ordinance grants a taxi franchise for operation of a stated number of taxis within the city, the holder of the franchise shall report at least quarterly to the council the average number of taxis actually in operation during the preceding quarter. The council may amend a taxi franchise to reduce the number of authorized vehicles by the average number not in actual operation during the preceding quarter, and may transfer the unused allotment to another franchised operator. Such amendments of taxi franchises shall not be subject to G.S. 160A-76. Allotments of taxis among franchised operators may be transferred only by the city council, and it shall be unlawful for any franchised operator to sell, assign, or otherwise transfer allotments under a taxi franchise. (1943, c. 639, s. 1; 1945, c. 564, s. 2; 1971, c. 698, s. 1.)

Editor's Note. — The cases cited in the following note were decided under former § 160-200(35) and (36a).

Licensing and Regulation in General. — The legislature has deemed it to be the part of wisdom to delegate to the various municipalities

of the State the power to license, regulate, and control the operators and drivers of taxicabs. In the exercise of this delegated power, it is the duty of the municipal authorities, in their sound discretion, to determine what ordinances or regulations are reasonably necessary for the protection of the public or the better government of the town, and when in the exercise of such discretion an ordinance is adopted, it is presumed to be valid, and the courts will not declare it invalid unless it is clearly shown to be so. State v. Stallings, 230 N.C. 252, 52 S.E.2d 901 (1949); Victory Cab Co. v. Shaw, 232 N.C. 138, 59 S.E.2d 573 (1950).

The word "terms" is referable to the covenants to be made and required in connection with the issuance of franchises, rather than to any monetary consideration to be charged therefor. Victory Cab Co. v. City of Charlotte, 234 N.C. 572, 68 S.E.2d 433 (1951).

The word "terms" is not referable to and does not authorize the assessment and collection of fees by a city or town in consideration for franchise privileges to be granted taxicab operators. Victory Cab Co. v. City of Charlotte, 234 N.C. 572, 68 S.E.2d 433 (1951).

The word "franchise" denotes a right or privilege conferred by law — a special privilege conferred by government on an individual, natural or corporate, which is not enjoyed by its citizens generally, of common right. Ordinarily the grant of a franchise when accepted and acted on creates a contract which is binding on the grantor and the grantee. Hence, the grant of a franchise contemplates, and usually embraces, express conditions and stipulations as to standards of service, and so forth, which the grantee or holder of the franchise must perform. Victory Cab Co. v. City of Charlotte, 234 N.C. 572, 68 S.E.2d 433 (1951).

Fee for Franchise. — Subdivision (36a) of former § 160-200 did not authorize a city to impose exactions on taxicabs beyond the limits fixed by § 20-97, subsections (a) and (b). Victory Cab Co. v. City of Charlotte, 234 N.C. 572, 68 S.E.2d 433 (1951).

Requiring Taxicab Drivers to Wear Distinctive Insignia. — It is not an unlawful, unreasonable, or an arbitrary exercise of the police power which has been delegated to local municipal authorities by the legislature, for a city to require, as a condition incident to the privilege of operating a taxicab on its streets, that the driver of such taxicab shall wear a distinctive cap or other insignia while operating a taxicab, to show that he is a duly licensed taxicab driver. Such a requirement would seem to be reasonable and a protection to the public against unlicensed drivers or operators. State v. Stallings, 230 N.C. 252, 52 S.E.2d 901 (1949).

Requiring Taxicab Operators to Secure Liability Insurance. — An ordinance requiring operators of taxicabs or other motor vehicles for hire to secure liability insurance or enter into bond with personal or corporate surety is a valid exercise of the police power and does not violate the Fourteenth Amendment of the Federal Constitution, the operation of vehicles for gain being a special and extraordinary use of the city's streets, which it has the power to condition by ordinance uniform upon all coming within the classification. Watkins v. Iseley, 209 N.C. 256, 183 S.E. 365 (1936), citing Packard v. Banton, 264 U.S. 140, 44 S. Ct. 257, 68 L. Ed. 596 (1924).

Coverage of Indemnity Bond or Deposit. — An indemnity bond for a taxi corporation did not cover liability for injuries inflicted prior to the execution of the bond. Manheim v. Virginia Sur. Co., 215 N.C. 693, 3 S.E.2d 16 (1939).

Where a municipal ordinance required taxicab operators to deposit insurance, surety bonds, or cash or securities, conditioned upon the payment of a final judgment in favor of any person injured by the operation of a cab over the municipal streets, the cash or securities deposited for the operation of cabs under a stipulated trade name, filed with the municipality under an agreement pursuant to the ordinance, did not cover a final judgment for injuries to a garage mechanic from the negligent operation of the cab while on private garage premises. Perrell v. Beaty Serv. Co., 248 N.C. 153, 102 S.E.2d 785 (1958).

§ 160A-305. Agreements under National Highway Safety Act. — Any city is hereby authorized to enter into agreements with the State of North Carolina and its agencies, and with the federal government and its agencies, to secure the full benefits available to the city under the National Highway Safety Act of 1966, and to cooperate with State and federal agencies, other public and private agencies, interested organizations, and individuals, to effectuate the purposes of the act and subsequent amendments thereof. (1967, c. 1255; 1971, c. 698, s. 1.)

§ 160A-306. Building setback lines. — (a) A city shall have authority to (i) classify all or a portion of the streets in the city according to their size, present and anticipated traffic loads, and other characteristics relevant to the

achievement of the purposes of this section, and (ii) establish by ordinance minimum distances that buildings and other permanent structures constructed along each class or type of street shall be set back from the right-of-way line or the center line of the street. Portions of any street may be classified in a manner different from other portions of the same street where the characteristics of the portions differ.

(b) Any setback line shall be designed

(1) To promote the public safety by providing adequate sight distances for persons using the street and its sidewalks, lessening congestion in the street and sidewalks, facilitating the safe movement of vehicular and pedestrian traffic on the street and sidewalks and providing adequate fire lanes between buildings, and

(2) To protect the public health by keeping dwellings and other structures an adequate distance from the dust, noise, and fumes created by traffic on the street and by insuring an adequate supply of light and air.

(c) A setback-line ordinance shall permit affected property owners to appeal to the council for variance or modification of setback requirements as they apply to a particular piece of property. The council may vary or modify the requirements upon a showing that

(1) The peculiar nature of the property results in practical difficulties or unnecessary hardships that impede carrying out the strict letter of the requirement,

(2) The property will not yield a reasonable return or cannot be put to reasonable use unless relief is granted, and

(3) Balancing the public interest in enforcing the setback requirements and the interest of the owner, the grant of relief is required by considerations of justice and equity.

In granting relief, the council may impose reasonable and appropriate conditions and safeguards to protect the interest of neighboring properties. The council may delegate authority to hear appeals under setback-line ordinances to a board established to hear appeals under zoning ordinances. If this is done, appeal to the council from the board shall be governed by the same laws and rules as appeals from decisions granting or denying variances or modifications under the zoning ordinance. (1971, c. 698, s. 1.)

§ 160A-307. Curb cut regulations. — A city may by ordinance regulate the size, location, and manner of construction of driveway connections into any street or alley. (1971, c. 698, s. 1.)

§ 160A-308. Regulation of dune buggies. — A municipality may by ordinance regulate, restrict and prohibit the use of dune or beach buggies, jeeps, motorcycles, cars, trucks, or any other form of power-driven vehicle specified by the governing body of the municipality on the foreshore, beach strand and the barrier dune system. Violation of any ordinance adopted by the governing body of a municipality pursuant to this section is a misdemeanor, punishable by a fine of not more than fifty dollars ($50.00), or by imprisonment for not more than 30 days, or both in the discretion of the court.

Provided, a municipality shall not prohibit the use of such specified vehicles from the foreshore, beach strand and barrier dune system by commercial fishermen for commercial activities. Commercial fishermen, however, shall abide by all other regulations or restrictions duly enacted by municipalities under this section. (1973, cc. 856, 1401.)

§§ 160A-309, 160A-310: Reserved for future codification purposes.

ARTICLE 16.

Public Enterprises.

Part 1. General Provisions.

§ 160A-311. Public enterprise defined. — As used in this Article, the term "public enterprise" includes:

(1) Electric power generation, transmission, and distribution systems;
(2) Water supply and distribution systems;
(3) Sewage collection and disposal systems;
(4) Gas production, storage, transmission, and distribution systems, where systems shall also include the purchase and/or lease of natural gas fields and natural gas reserves, the purchase of natural gas supplies, and the surveying, drilling and any other activities related to the exploration for natural gas, whether within the State or without.
(5) Bus lines and mass transit systems;
(6) Solid waste collection and disposal systems and facilities;
(7) Cable television systems;
(8) Off-street parking facilities and systems;
(9) Airports. (1971, c. 698, s. 1; 1975, c. 549, s. 2; c. 821, s. 3.)

Editor's Note. — The first 1975 amendment inserted "production, storage, transmission, and" in subdivision (4).

The second 1975 amendment added the language beginning "where systems shall also include" at the end of subdivision (4).

Session Laws 1975, c. 821, s. 6, contains a severability clause.

Cited in Duke Power Co. v. City of High Point, 22 N.C. App. 91, 205 S.E.2d 774 (1974).

§ 160A-312. Authority to operate public enterprises. — A city shall have authority to acquire, construct, establish, enlarge, improve, maintain, own, and operate any or all of the public enterprises as defined in this Article to furnish services to the city and its citizens. Subject to Part 2 of this Article, a city may acquire, construct, establish, enlarge, improve, maintain, own, and operate any public enterprise outside its corporate limits, within reasonable limitations, but in no case shall a city be held liable for damages to those outside the corporate limits for failure to furnish any public enterprise service.

A city shall have full authority to protect and regulate any public enterprise system belonging to it by adequate and reasonable rules and regulations.

A city may operate that part of a gas system involving the purchase and/or lease of natural gas fields, natural gas reserves and natural gas supplies and the surveying, drilling or any other activities related to the exploration for natural gas, in a partnership or joint venture arrangement with natural gas utilities and private enterprise. (1971, c. 698, s. 1; 1973, c. 426, s. 51; 1975, c. 821, s. 5.)

Editor's Note. — The 1975 amendment added the third paragraph.

Session Laws 1975, c. 821, s. 6, contains a severability clause.

Many of the cases cited in the following note were decided under former similar provisions.

The term "reasonable limitations" does not refer solely to the territorial extent of the venture, but embraces all facts and circumstances which affect the reasonableness of the venture. Domestic Elec. Serv., Inc. v. City of Rocky Mount, 285 N.C. 135, 203 S.E.2d 838 (1974).

Electricity May Be Distributed beyond Corporate Limits. — A municipality has the power to purchase, generate, or distribute electricity for its own use and the use of its inhabitants and is given legislative authority to extend its lines beyond its corporate limits for the purpose of selling electricity to nonresidents, and therefore a complaint in an action against a municipality alleging injury from negligent maintenance of power lines outside the corporate limits is not demurrable on the ground that the alleged negligence of its officers and employees was ultra vires of the city. Kennerly

v. Town of Dallas, 215 N.C. 532, 2 S.E.2d 538 (1939).

A municipal corporation engaged in the production and distribution of electric power is authorized to extend this service to consumers outside its corporate limits. This would confer authority on a city to construct and operate transmission lines for the distribution of electric current for the benefit of the public beyond its corporate boundaries within reasonable limitation. Town of Grimesland v. City of Washington, 234 N.C. 117, 66 S.E.2d 794 (1951).

But having the right to engage in this business gives no exclusive franchise, and if from lawful competition the town's business be curtailed, it would seem that no actionable wrong would result, nor would it be entitled to injunctive relief therefrom. Town of Grimesland v. City of Washington, 234 N.C. 117, 66 S.E.2d 794 (1951).

Certainly, nothing is more necessary to the health of a city than that its filth should be removed and its area well drained. That the establishment of a public sewer system is an exercise of a governmental function is recognized by all the authorities. McCombs v. City of Asheboro, 6 N.C. App. 234, 170 S.E.2d 169 (1969).

City May Impose Conditions on Residents outside Corporate Limits. — "Since it is optional with the city as to whether or not it will furnish water to residents outside its corporate limits and permit such residents to connect their sewer facilities with the sewerage system of the city, or with any other sewerage system which connects with the city system, it may fix the terms upon which the service may be rendered and its facilities used. Williamson v. City of High Point, 213 N.C. 96, 195 S.E. 90 (1938); Kennerly v. Town of Dallas, 215 N.C. 532, 2 S.E.2d 538 (1939); George v. City of Asheville, 80 F.2d 50, 103 A.L.R. 568 (4th Cir. 1935)." Atlantic Constr. Co. v. City of Raleigh, 230 N.C. 365, 53 S.E.2d 165 (1949).

A municipality which operates its own waterworks is under no duty in the first instance to furnish water to persons outside its limits. It has the discretionary power, however, to engage in this undertaking. When a municipality exercises this discretionary power, it does not assume the obligations of a public service corporation toward nonresident consumers. It retains the authority to specify the terms upon which nonresidents may obtain its water. Fulghum v. Town of Selma, 238 N.C. 100, 76 S.E.2d 368 (1953).

Effect of Utilities Commission's Assignment of Area to Electric Suppliers. — The Utilities Commission's assignment to an electric supplier of an area does not automatically preclude a city from extending its service lines into the area. Domestic Elec. Serv., Inc. v. City of Rocky Mount, 285 N.C. 135, 203 S.E.2d 838 (1974).

Extension by City of Its Electric System across City Limits Exceeded "Reasonable Limitations". — See Domestic Elec. Serv., Inc. v. City of Rocky Mount, 285 N.C. 135, 203 S.E.2d 838 (1974).

All municipalities have been given the right to extend water and sewer facilities beyond the corporate limits of the municipality. Upchurch v. City of Raleigh, 252 N.C. 676, 114 S.E.2d 772 (1960).

Municipalities have legislative permission to extend their sewer and water lines beyond corporate boundaries. Such extensions may be made either because necessary to the effective operation of the improvement within the city, or to provide services for a profit beyond the corporate limits. Eakley v. City of Raleigh, 252 N.C. 683, 114 S.E.2d 777 (1960).

But the authority granted is not unlimited. It authorizes a municipality to construct and operate utilities for the benefit of the public beyond its corporate boundaries within reasonable limitations. If the authority was not thus limited this section would contravene fundamental law. Public Serv. Co. v. City of Shelby, 252 N.C. 816, 115 S.E.2d 12 (1960).

Extension for Profit Requires Vote. — A municipality has the power to expend funds for the construction and operation of water and sewer facilities without a vote when such facilities are for the benefit of the citizens of the municipality, but extension of such facilities outside its corporate limits for the purpose of profit is a proprietary function requiring a vote of its citizens. Eakley v. City of Raleigh, 252 N.C. 683, 114 S.E.2d 777 (1960).

Municipality Owes Duty of Equal Service Only to Consumers within Its Limits. — When a municipality engages in supplying water to its inhabitants, it owes the duty of equal service in furnishing water only to consumers within its corporate limits. Fulghum v. Town of Selma, 238 N.C. 100, 76 S.E.2d 368 (1953).

A municipality owes no duty to supply water to a resident for resale to others either within or without its limits. Fulghum v. Town of Selma, 238 N.C. 100, 76 S.E.2d 368 (1953).

Liability for Failure to Furnish Service. — A city which owns a municipal light and waterworks system and operates the same in its governmental capacity cannot be held liable in damages for failure to furnish a sufficient supply of either water or light. Harrington v. Town of Greenville, 159 N.C. 632, 75 S.E. 849 (1912); Howland v. City of Asheville, 174 N.C. 749, 94 S.E. 524 (1917); Mabe v. City of Winston-Salem, 190 N.C. 486, 130 S.E. 169 (1925).

Construction of a sewerage system is a governmental function. McCombs v. City of Asheboro, 6 N.C. App. 234, 170 S.E.2d 169 (1969).

And Municipality Is Not Liable for Personal Injuries Resulting from Construction. — A

municipal corporation is performing a governmental function when engaged in construction of a sewerage system and is not liable for personal injuries resulting from the alleged negligent acts of its employees in such construction, notwithstanding the municipality charges for sewage and sanitary services which it furnishes its citizens. A municipality will not lose its governmental immunity solely because it is engaged in an activity which makes a profit, the test being whether the act is for the common good of all without the element of special corporate benefit or pecuniary profit. McCombs v. City of Asheboro, 6 N.C. App. 234, 170 S.E.2d 169 (1969).

A municipality cannot be required to respond in damages for personal injuries resulting from the alleged negligent acts of its employees in the construction of a sewer line. McCombs v. City of Asheboro, 6 N.C. App. 234, 170 S.E.2d 169 (1969).

Or for Injuries to Health Resulting from Maintenance. — In the construction and maintenance of a sewer or drainage system, a municipal corporation exercises a part of the governmental powers of the State for the customary local convenience and benefit of all the people, and in the exercise of these discretionary functions the muncipality cannot be required to respond in damages to individuals for injury to health, resulting either from omissions to act or the mode of exercising the power conferred on it for public purposes to be used at discretion for the public good. McCombs v. City of Asheboro, 6 N.C. App. 234, 170 S.E.2d 169 (1969).

The maintenance of a free public sewer system by a city is an exercise of its police power for the public benefit, so that a city would not be liable for the death of a citizen from illness caused by the pollution of a stream by the sewer which emptied into it. Metz v. City of Asheville, 150 N.C. 748, 64 S.E. 881, 22 L.R.A. (n.s.) 940 (1909).

Recovery for illness or death resulting from the negligent maintenance of sewerage systems has been specifically denied and evidence with respect thereto admitted only for purpose of proving existence of a nuisance. McCombs v. City of Asheboro, 6 N.C. App. 234, 170 S.E.2d 169 (1969).

But Recovery Has Been Allowed for Damages to Property. — In actions brought to recover damages for injury to property and person by reason of the alleged negligent maintenance of a sewerage system, recovery has been allowed for damage to property on the theory of the creation of a nuisance and the taking of property. McCombs v. City of Asheboro, 6 N.C. App. 234, 170 S.E.2d 169 (1969).

On Theory of Nuisance. — A municipal corporation, empowered to construct and maintain a sewerage system, may not exercise its power in such a way as to create a private nuisance without making compensation for the injury inflicted or being liable in damages therefor or to equitable restraint in a proper case, and it is a nuisance to pollute a stream by emptying sewage therein. Moser v. City of Burlington, 162 N.C. 141, 78 S.E. 74 (1913).

Sewer Excavations Not Attractive Nuisance. — Municipalities must build sewers and other conduits necessitating the making of excavations. This creates some obvious danger, but it is not categorized as an attractive nuisance. McCombs v. City of Asheboro, 6 N.C. App. 234, 170 S.E.2d 169 (1969).

An ordinance for fluoridation of the city water supply is enacted in the exercise of public policy, and the courts will not interfere therewith in the absence of a showing that the ordinance is so unreasonable, oppressive, and subversive as to amount to an abuse rather than a legitimate exercise of the legislative power. Stroupe v. Eller, 262 N.C. 573, 138 S.E.2d 240 (1964).

The bare extension of the city limits does not amount to a wrongful taking or appropriation of the lines. Covington v. City of Rockingham, 266 N.C. 507, 146 S.E.2d 420 (1966).

Where there is no contract or municipal ordinance involved and the territory served by private water or sewer lines is annexed to a municipality, the owner of the lines may not recover the value thereof from the municipality unless it appropriates them and controls them as proprietor. Covington v. City of Rockingham, 266 N.C. 507, 146 S.E.2d 420 (1966).

Nor Does Voluntary Maintenance by City. — Maintenance as a voluntary act on the part of the city does not amount to a taking of the property. Covington v. City of Rockingham, 266 N.C. 507, 146 S.E.2d 420 (1966).

§ 160A-313. Financing public enterprise. — Subject to the restrictions, limitations, procedures, and regulations otherwise provided by law, a city shall have full authority to finance the cost of any public enterprise by levying taxes, borrowing money, and appropriating any other revenues therefor, and by accepting and administering gifts and grants from any source on behalf thereof. (1971, c. 698, s. 1.)

§ 160A-314. Authority to fix and enforce rates. — (a) A city may establish and revise from time to time schedules of rents, rates, fees, charges, and

penalties for the use of or the services furnished by any public enterprise. Schedules of rents, rates, fees, charges, and penalties may vary according to classes of service, and different schedules may be adopted for services provided outside the corporate limits of the city.

(b) A city shall have power to collect delinquent accounts by any remedy provided by law for collecting and enforcing private debts. A city may also discontinue service to any customer whose account remains delinquent for more than 10 days. When service is discontinued for delinquency, it shall be unlawful for any person other than a duly authorized agent or employee of the city to do any act that results in a resumption of services. If a delinquent customer is not the owner of the premises to which the services are delivered, the payment of the delinquent account may not be required before providing services at the request of a new and different tenant or occupant of the premises, but this restriction shall not apply when the premises are occupied by two or more tenants whose services are measured by the same meter.

(c) Except as provided in subsection (d), rents, rates, fees, charges, and penalties for enterprisory services shall be legal obligations of the person contracting for them, and shall in no case be a lien upon the property or premises served.

(d) Rents, rates, fees, charges, and penalties for enterprisory services shall be legal obligations of the owner of the premises served when:

(1) The property or premises is leased or rented to more than one tenant and services rendered to more than one tenant are measured by the same meter.

(2) Charges made for use of a sewage system are billed separately from charges made for the use of a water distribution system.

(e) Nothing in this section shall repeal any portion of any city charter inconsistent herewith. (1971, c. 698, s. 1.)

Editor's Note. — The cases cited in the following note were decided under former similar provisions.

A municipality may establish a charge for sewerage service and require all its water customers to pay for such service whether such customers live within or without the corporate limits of such municipality. Covington v. City of Rockingham, 266 N.C. 507, 146 S.E.2d 420 (1966).

And Such Charge Is Not in the Nature of a Tax. — A properly adopted ordinance of a municipality establishing a sewerage service charge is not in the nature of a tax for the use of the users' sewer facilities, but it is a charge for the use of the sewer facilities of the municipality in the disposal of polluted water and sewage which drains into the disposal system of the municipality. Covington v. City of Rockingham, 266 N.C. 507, 146 S.E.2d 420 (1966).

Rates Charged Consumers outside Corporate Limits. — An amendment to an ordinance which substantially increases the rates charged for water supplied by a municipality for consumption outside its corporate limits cannot be held discriminatory in a legal sense when it applies alike to all nonresidents, and it is immaterial that a nonresident consumer deems such rates exorbitant or unreasonable. Fulghum v. Town of Selma, 238 N.C. 100, 76 S.E.2d 368 (1953).

A city is free to establish by contract or by ordinance such fees and charges for services rendered to residents outside its corporate limits as it may deem reasonable and proper. Atlantic Constr. Co. v. City of Raleigh, 230 N.C. 365, 53 S.E.2d 165 (1949).

§ 160A-315. Billing and collecting agents for certain sewer systems. — Any city that maintains and operates a sewage collection and disposal system but does not maintain and operate a water distribution system is authorized to contract with the owner or operator of the water distribution system operating within the area served by the city sewer system to act as the billing and collection agent of the city for any charges, rents, or penalties imposed by the city for sewer services. (1933, c. 322, s. 1; 1941, c. 106; 1961, c. 1074; 1971, c. 698, s. 1.)

§ 160A-316. Independent water companies to supply information. — The owner or operator of any independent or private water distribution system operating within a city that maintains and operates a sewage collection and disposal system shall furnish to the city upon request copies of water meter readings and any other water consumption records and data that the city may require to bill and collect its sewer rents and charges. The city shall pay the reasonable cost of supplying this information. (1933, c. 322, s. 1; 1941, c. 106; 1961, c. 1074; 1971, c. 698, s. 1.)

§ 160A-317. Power to require connections. — A city may require the owners of improved property located within the city limits and upon or within a reasonable distance of any water line or sewer collection line owned and operated by the city to connect his premises with the water or sewer system or both, and may fix charges for the connections. (1917, c. 136, subch. 7, s. 2; C. S., s. 2806; 1971, c. 698, s. 1.)

Section Does Not Apply to Property Located outside City. — A municipality is not authorized to compel owners of improved property located outside the city, but which may be located upon or near one of its sewer lines, or a line which empties into the city's sewerage system, to connect with the sewer line. Atlantic Constr. Co. v. City of Raleigh, 230 N.C. 365, 53 S.E.2d 165 (1949); Smith v. City of Winston-Salem, 247 N.C. 349, 100 S.E.2d 835 (1957) (decided under former § 160-240).

§ 160A-318. Mutual aid contracts. — (a) Any two or more cities, counties, water and sewer authorities, metropolitan sewage districts, sanitary districts, or private utility companies or combination thereof may enter into contracts with each other to provide mutual aid and assistance in restoring electric, water, sewer, or gas services in the event of natural disasters or other emergencies under such terms and conditions as may be agreed upon. Mutual aid contracts may include provisions for furnishing personnel, equipment, apparatus, supplies and materials; for reimbursement or indemnification of the aiding party for loss or damage incurred by giving aid; for delegating authority to a designated official or employee to send aid upon request; and any other provisions not inconsistent with law.

(b) Officials and employees furnished by one party in aid of another party pursuant to a mutual aid contract entered into under authority of this section shall be conclusively deemed for all purposes to remain officials and employees of the aiding party. While providing aid to another and while traveling to and from another city or county pursuant to giving aid, they shall retain all rights, privileges, and immunities, including coverage under the North Carolina Workmen's Compensation Act, as they enjoy while performing their normal duties.

(c) Notwithstanding any other provisions of law to the contrary, any party to a mutual aid contract entered into under authority of this section, may sell or otherwise convey or deliver to another party to the contract personal property to be used in restoring utility services pursuant to the contract, without following procedures for the sale or disposition of property prescribed by any general law, local act, or city charter.

(d) Nothing in this section shall be construed to deprive any party to a mutual aid contract of its discretion to send or decline to send its personnel, equipment, and apparatus in aid of another party to the contract under any circumstances, whether or not obligated by the contract to do so. In no case shall a party to a mutual aid contract or any of its officials or employees be held to answer in any civil or criminal action for declining to send personnel, equipment, or apparatus to another party to the contract, whether or not obligated by contract to do so. (1967, c. 450; 1971, c. 698, s. 1.)

§ 160A-319. Utility franchises. — A city shall have authority to grant upon reasonable terms franchises for the operation within the city of any of the enterprises listed in G.S. 160A-311 and for the operation of telephone systems. No franchise shall be granted for a period of more than 60 years, and cable television franchises shall not be granted for a period of more than 20 years. Except as otherwise provided by law, when a city operates an enterprise, or upon granting a franchise, a city may by ordinance make it unlawful to operate an enterprise without a franchise.

For the purposes of this section, "cable television system" means any system or facility that, by means of a master antenna and wires or cables, or by wires or cables alone, receives, amplifies, modifies, transmits, or distributes any television, radio, or electronic signal, audio or video or both, to subscribing members of the public for compensation. "Cable television system" does not include providing master antenna services only to property owned or leased by the same person, firm, or corporation, nor communication services rendered to a cable television system by a public utility that is regulated by the North Carolina Utilities Commission or the Federal Communications Commission in providing those services. (Code, ss. 704, 3117; 1901, c. 283; 1905, c. 526; Rev., s. 2916; 1907, c. 978; P. L. 1917, c. 223; C. S., s. 2623; Ex. Sess. 1921, c. 58; 1927, c. 14; 1933, c. 69; 1949, c. 938; 1955, c. 77; 1959, c. 391; 1961, c. 308; 1967, c. 100, s. 2; c. 1122, s. 1; 1969, c. 944; 1971, c. 698, s. 1; 1975, c. 664, s. 11.)

Editor's Note. — The 1975 amendment added "and for the operation of telephone systems" at the end of the first sentence of the first paragraph and inserted "when a city operates an enterprise, or" in the last sentence of that paragraph.

The cases cited in the following note were decided under former similar provisions.

Every town has the power to grant franchises to public utilities, that is, the right to engage within the corporate boundaries in business of a public nature. Duke Power Co. v. Blue Ridge Elec. Membership Corp., 253 N.C. 596, 117 S.E.2d 812 (1961).

The sovereign right to franchise implies the power to control for public benefit, including among other things, the right to fix reasonable rates and to specify where the franchise may or may not be exercised so as to afford adequate service to the public. Duke Power Co. v. Blue Ridge Elec. Membership Corp., 253 N.C. 596, 117 S.E.2d 812 (1961).

Discretion of Local Body. — The terms and conditions upon which franchises to public utilities are to be granted, unless clearly unreasonable or expressly prohibited by law, rests in the sound discretion of the local body. Mullen v. Town of Louisburg, 225 N.C. 53, 33 S.E.2d 484 (1945).

Grant of Right to Construct City-Wide Television Cable System. — The grant by a city to a person, firm or corporation of the right to construct a city-wide television cable system of towers, poles, cables, wires, and other apparatus in, along, and over its streets and other public ways and to operate such systems for the profit of the grantee is clearly a franchise, for it is the grant of a right not held by all persons in common and which may be granted only by the act of the sovereign or its authorized agent. Kornegay v. City of Raleigh, 269 N.C. 155, 152 S.E.2d 186 (1967).

No grant of franchise by a city is deemed exclusive unless so expressed by the grant. Hill v. Elizabeth City, 291 F. 194 (E.D.N.C. 1923).

A franchise need not be exclusive. Indeed, if it is exclusive, an additional question as to its validity arises under N.C. Const., Art. I, §§ 32 and 34. Kornegay v. City of Raleigh, 269 N.C. 155, 152 S.E.2d 186 (1967).

Exclusive Privilege Unconstitutional. — Those provisions of an ordinance granting the exclusive privilege to construct and maintain waterworks within the corporate limits of a town, and the exclusive use of its streets, alleys, sidewalks, public grounds, streams and bridges, come within the confirmation of N.C. Const., Art. I, § 34, which declares that "perpetuities and monopolies are contrary to the genius of a free state and shall not be allowed." Thrift v. Elizabeth City, 122 N.C. 31, 30 S.E. 349 (1898).

Statutory Term Read into Contract. — Where a franchise granted by a municipality fails to stipulate a term, the statutory term of 60 years will be read into the contract as a part thereof. Boyce v. City of Gastonia, 227 N.C. 139, 41 S.E.2d 355 (1947).

City Must Follow Procedural Restrictions of Charter. — Where the charter of a city provides procedural restrictions upon the granting by the city of franchises, such city must follow such procedural restrictions of its charter in granting a franchise regardless of whether the authority to grant the particular franchise is conferred upon the city by this section or by its own

charter. Shaw v. City of Asheville, 269 N.C. 90, 152 S.E.2d 139 (1967).

In Granting Franchise Municipality Exercises Governmental Function. — In the granting of a franchise to a public utility to operate a system for furnishing gas for cooking and heating to residents of the municipality, the municipality exercises a governmental function, and may not be held liable in tort to a person injured by a gas explosion, even if it be conceded that the city was negligent in continuing the franchise after the pipelines and equipment of the licensee had become defective. Denning v. Goldsboro Gas Co., 246 N.C. 541, 98 S.E.2d 910 (1957).

Franchises for Use of Streets Must Be Expressly Conferred. — The law is well settled that the title either of the fee in the soil or an easement is vested in the municipality, in trust for the use of the people as and for a public highway, and that it cannot, without legislative authority, divert them from this use. Therefore, a grant by a city of a franchise allowing gas pipes to be laid in its streets is void unless allowed by express legislation. Elizabeth City v. Banks, 150 N.C. 407, 64 S.E. 189 (1909).

Duty Imposed with Franchise to Water Company. — The acceptance of a municipal franchise by a water company carries with it the duty of supplying water to all persons along the lines of its mains without discrimination and at uniform rates. Griffin v. Goldsboro Water Co., 122 N.C. 206, 30 S.E. 319 (1898).

A water company operating under a franchise-contract from a city or town, and receiving the benefits and advantages arising thereunder, may not repudiate the duty of supplying water free to public schools, etc., which it had expressly contracted to do in accepting the franchise containing such provision and collect for water it had furnished them upon a quantum meruit or otherwise. Henderson Water Co. v. Trustees of Henderson Graded Schools, 151 N.C. 171, 65 S.E. 927 (1909).

Rights of Abutting Owners. — As against the rights of abutting owners the municipal authorities have no power to grant to a railroad company an easement to lay its track upon and operate its trains over the streets of a town, even though the title to the streets be in the town. Staton v. Atlantic Coast Line R.R., 147 N.C. 428, 61 S.E. 455 (1908).

License Not a Permanent Easement. — A license granted by a city to a railroad company to lay a track upon and to that extent use the streets, in the absence of an express power in the charter to do so, cannot be construed into a grant of a permanent easement. State v. Atlantic & N.C.R.R., 141 N.C. 736, 53 S.E. 290 (1906).

Power to Annul License. — After a city, by ordinance, has granted a street railroad a right to construct its line over certain streets it cannot by subsequent ordinance arbitrarily annul such license. Asheville Street Ry. v. City of Asheville, 109 N.C. 688, 14 S.E. 316 (1891).

Stated in Duke Power Co. v. City of High Point, 22 N.C. App. 91, 205 S.E.2d 774 (1974).

§ 160A-320: Reserved for future codification purposes.

§ 160A-321. Sale, lease, or discontinuance of city-owned enterprise. — A city is authorized to sell or lease as lessor any enterprise that it may own upon any terms and conditions that the council may deem best. However, except as to transfers to another governmental entity pursuant to G.S. 160A-274, a city-owned enterprise shall not be sold, leased to another, or discontinued unless the proposal to sell, lease, or discontinue is first submitted to a vote of the people and approved by a majority of those who vote thereon. Voter approval shall not be required for the sale, lease, or discontinuance of airports, off-street parking systems and facilities, or solid waste collection and disposal systems. (Code, ss. 704, 3117; 1901, c. 283; 1905, c. 526; Rev., s. 2916; 1907, c. 978; P. L. 1917, c. 223; C. S., s. 2623; Ex. Sess. 1921, c. 58; 1927, c. 14; 1933, c. 69; 1949, c. 938; 1955, c. 77; 1959, c. 391; 1961, c. 308; 1967, c. 100, s. 2; c. 1122, s. 1; 1969, c. 944; 1971, c. 698, s. 1; 1973, c. 489, s. 2.)

Editor's Note. — The cases cited in the following note were decided under former similar provisions.

When Approval of Voters Not Required. — Where a municipality decides to abandon the generation of electricity by the use of diesel engines and substitute therefor electricity purchased wholesale for distribution through its electric plant, and in pursuance of such change of policy advertises a sale of diesel engines, there is no sale by such municipality of its electric plant requiring approval of a majority of the qualified voters. Mullen v. Town of Louisburg, 225 N.C. 53, 33 S.E.2d 484 (1945).

Private Sale. — See Allen v. Town of Reidsville, 178 N.C. 513, 101 S.E. 267 (1919).

§ 160A-322. Contracts for electric power and water. — A city is authorized to enter into contracts for a period not exceeding 40 years for the supply of water, and for a period not exceeding 30 years for the supply of electric power or other public commodity or services. (Code, ss. 704, 3117; 1901, c. 283; 1905, c. 526; Rev., s. 2916; 1907, c. 978; P. L. 1917, c. 223; C. S., s. 2623; Ex. Sess. 1921, c. 58; 1927, c. 14; 1933, c. 69; 1949, c. 938; 1955, c. 77; 1959, c. 391; 1961, c. 308; 1967, c. 100, s. 2; c. 1122, s. 1; 1969, c. 944; 1971, c. 698, s. 1.)

§§ 160A-323 to 160A-330: Reserved for future codification purposes.

Part 2. Electric Service in Urban Areas.

§ 160A-331. Definitions. — Unless the context otherwise requires, the following words and phrases shall have the meanings indicated when used in this Part:

(1) The "determination date" is
   a. April 20, 1965, with respect to areas within the corporate limits of any city as of April 20, 1965;
   b. The effective date of annexation with respect to areas annexed to any city after April 20, 1965;
   c. The date a primary supplier comes into being with respect to any city first incorporated after April 20, 1965.

(2) "Line" means any conductor located inside the city for distributing or transmitting electricity, other than
   a. For overhead construction, a conductor from the pole nearest the premises of a consumer to such premises, or a conductor from a line tap to such premises, and
   b. For underground construction, a conductor from the transformer (or the junction point, if there be one) nearest the premises of a consumer to such premises.

(3) "Premises" means the building, structure, or facility to which electricity is being or is to be furnished. Two or more buildings, structures, or facilities that are located on one tract or contiguous tracts of land and are used by one electric consumer for commercial, industrial, institutional, or governmental purposes, shall together constitute one "premises," except that any such building, structure, or facility shall not, together with any other building, structure, or facility, constitute one "premises" if the electric service to it is separately metered and the charges for such service are calculated independently of charges for service to any other building, structure, or facility.

(4) "Primary supplier" means a city that owns and maintains its own electric system, or a person, firm, or corporation that furnishes electric service within a city pursuant to a franchise granted by, or contract with, a city, or that, having furnished service pursuant to a franchise or contract, is continuing to furnish service within a city after the expiration of the franchise or contract.

(5) "Secondary supplier" means a person, firm, or corporation that furnishes electricity at retail to one or more consumers other than itself within the limits of a city but is not a primary supplier. A primary supplier that furnishes electric service within a city pursuant to a franchise or contract that limits or restricts the classes of consumers or types of electric service permitted to such supplier shall, in and with respect to any area annexed by the city after April 20, 1965, be a primary supplier for such classes of consumers or types of service, and if it furnishes other electric service in the annexed area on the effective date of annexation, shall be a secondary supplier, in and with respect

to such annexed area, for all other electric service. A primary supplier that continues to furnish electric service after the expiration of a franchise or contract that limited or restricted such primary supplier with respect to classes of consumers or types of electric service shall, in and with respect to any area annexed by the city after April 20, 1965, be a secondary supplier for all electric service if it is furnishing electric service in the annexed area on the effective date of annexation. (1965, c. 287, s. 1; 1971, c. 698, s. 1; 1973, c. 426, s. 52.)

Section 62-110.2 was passed together with this Part, as part of the same act. Domestic Elec. Serv., Inc. v. City of Rocky Mount, 20 N.C. App. 347, 201 S.E.2d 508, aff'd on other grounds, 285 N.C. 135, 203 S.E.2d 838 (1974).

Section 62-110.2, applying to rural areas, and this Part, applying to municipalities, were part of the same act, and both sought to eliminate the wasteful duplication of power lines by assigning territories to specific suppliers of electricity. Domestic Elec. Serv., Inc. v. City of Rocky Mount, 20 N.C. App. 347, 201 S.E.2d 508, aff'd on other grounds, 285 N.C. 135, 203 S.E.2d 838 (1974).

Considered together, the two statutes cover the entire State and reflect the interests of municipalities, utility companies and cooperatives. They form a unified plan for eliminating duplication of electric facilities by assigning territories to particular suppliers. Domestic Elec. Serv., Inc. v. City of Rocky Mount, 20 N.C. App. 347, 201 S.E.2d 508, aff'd on other grounds, 285 N.C. 135, 203 S.E.2d 838 (1974).

Rights of Certain Nonmunicipal Suppliers Recognized. — By the enactment of this Part, the General Assembly took a considerable step in recognizing rights of nonmunicipal suppliers of electric power in cities operating their own systems. Duke Power Co. v. City of High Point, 22 N.C. App. 91, 205 S.E.2d 774 (1974).

Applied in State ex rel. Utilities Comm'n v. Hunt Mfg. Co., 16 N.C. App. 335, 192 S.E.2d 16 (1972).

§ 160A-332. Electric service within city limits. — (a) The suppliers of electric service inside the corporate limits of any city in which a secondary supplier was furnishing electric service on the determination date (as defined in G.S. 160A-331(1) shall have rights and be subject to restrictions as follows:

(1) The secondary supplier shall have the right to serve all premises being served by it, or to which any of its facilities are attached, on the determination date.

(2) The secondary supplier shall have the right, subject to subdivision (3) of this section, to serve all premises initially requiring electric service after the determination date which are located wholly within 300 feet of its lines and located wholly more than 300 feet from the lines of the primary supplier, as such suppliers' lines existed on the determination date.

(3) Any premises initially requiring electric service after the determination date which are located wholly within 300 feet of a secondary supplier's lines and wholly within 300 feet of another secondary supplier's lines, but wholly more than 300 feet from the primary supplier's lines, as the lines of all suppliers existed on the determination date, may be served by the secondary supplier which the consumer chooses, and no other supplier shall thereafter furnish electric service to such premises, except with the written consent of the supplier then serving the premises.

(4) A primary supplier shall not furnish electric service to any premises which a secondary supplier has the right to serve as set forth in subdivisions (1), (2), and (3) of this section, except with the written consent of the secondary supplier.

(5) Any premises initially requiring electric service after the determination date which are located wholly or partially within 300 feet of the primary supplier's lines and are located wholly or partially within 300 feet of the secondary supplier's lines, as such suppliers' lines existed on the

determination date, may be served by either the secondary supplier or the primary supplier, whichever the consumer chooses, and no other supplier shall thereafter furnish service to such premises, except with the written consent of the supplier then serving the premises.

(6) Any premises initially requiring electric service after the determination date, which are located only partially within 300 feet of the secondary supplier's lines and are located wholly more than 300 feet from the primary supplier's lines, as such supplier's lines existed on the determination date, may be served either by the secondary supplier or the primary supplier, whichever the consumer chooses, and no other supplier shall thereafter furnish service to such premises, except with the written consent of the supplier then serving the premises.

(7) Except as provided in subdivisions (1), (2), (3), (5), and (6) of this section, a secondary supplier shall not furnish electric service within the corporate limits of any city unless it first obtains the written consent of the city and the primary supplier.

(b) In any city that is first incorporated after April 20, 1965, in which, on the effective date of the incorporation, there is more than one supplier of electric service, all suppliers of electric service therein shall continue to have the rights and be subject to the restrictions in effect before the city was incorporated until there is a primary supplier within the city. (1965, c. 287, s. 1; 1971, c. 698, s. 1.)

Applied in State ex rel. Utilities Comm'n v. Hunt Mfg. Co., 16 N.C. App. 335, 192 S.E.2d 16 (1972).

§ 160A-333. Temporary electric service. — No electric supplier shall furnish temporary electric service for the construction of premises which it would not have the right to serve under this Part if such premises were already constructed. The construction of lines for, and the furnishing of, temporary electric service for the construction of premises which any other electric supplier, if chosen by the consumer, would have the right to serve if such premises were already constructed, shall not impair the right of such other electric supplier to furnish service to such premises after the construction thereof, if then chosen by the consumer; nor, unless the consumer chooses to have such premises served by the supplier that furnished the temporary service, shall the furnishing of such temporary service or the construction of a line therefor impair the right of any other electric supplier to furnish service to any other premises which, without regard to the construction of such temporary service line, it has the right to serve. (1965, c. 287, s. 1; 1971, c. 698, s. 1; 1973, c. 426, s. 53.)

§ 160A-334. Authority and jurisdiction of Utilities Commission. — Notwithstanding G.S. 160A-332 and 160A-333, if the North Carolina Utilities Commission finds that service being furnished to or to be furnished to the consumer by a secondary supplier is or will be inadequate or undependable, or that rates, conditions of service or service regulations, applied to such consumer, are unreasonably discriminatory, the Commission shall have the authority and jurisdiction, after notice to each affected electric supplier, and after hearing, if a hearing is requested by an interested party, to:

(1) Order a primary supplier that is subject to the jurisdiction of the Commission to furnish electric service to any consumer who desires service from the primary supplier at any premises served by a secondary supplier, or at premises which a secondary supplier has the right to serve pursuant to other sections of this Part, and to order such

secondary supplier to cease and desist from furnishing electric service to such premises, or

(2) Order any secondary supplier to cease and desist from furnishing electric service to any premises being served by it or to any premises which it has the right to serve pursuant to other sections of this Part, if the consumer desires service from a primary supplier that is not subject to the jurisdiction of the Commission and which is willing to furnish service to such premises. (1965, c. 287, s. 1; 1971, c. 698, s. 1; 1973, c. 426, s. 54.)

Applied in State ex rel. Utilities Comm'n v. Hunt Mfg. Co., 16 N.C. App. 335, 192 S.E.2d 16 (1972).

§ 160A-335. Discontinuance of service and transfer of facilities by secondary supplier. — A secondary supplier may voluntarily discontinue its service to any premises and remove any of its electric facilities located inside the corporate limits of a city or sell and transfer such facilities to a primary supplier in such city, subject to approval by the North Carolina Utilities Commission, if the Commission determines that the public interest will not thereby be adversely affected. (1965, c. 287, s. 1; 1971, c. 698, s. 1.)

§ 160A-336. Electric service for city facilities. — No provisions of this Part shall prevent a city that is a primary supplier from furnishing its own electric service for city facilities, or prevent any other primary supplier from furnishing electric street lighting service to a city inside its corporate limits. (1965, c. 287, s. 1; 1971, c. 698, s. 1.)

§ 160A-337. Effect of Part on rights and duties of primary supplier. — Except for the rights granted to and restrictions upon primary suppliers contained in the provisions of this Part, nothing in this Part shall diminish, enlarge, alter, or affect in any way the rights and duties of a primary supplier to furnish electric service to premises within the corporate limits of a city. (1965, c. 287, s. 1; 1971, c. 698, s. 1.)

§ 160A-338. Electric suppliers subject to police power. — No provisions of this Part shall restrict the exercise of the police power of a city over the erection and maintenance of poles, wires, and other facilities of electric suppliers in streets, alleys, and other public ways. (1965, c. 287, s. 1; 1971, c. 698, s. 1.)

§§ 160A-339, 160A-340: Reserved for future codification purposes.

Article 17.

Cemeteries.

§ 160A-341. Authority to establish and operate cemeteries. — A city shall have authority to establish, operate, and maintain cemeteries either inside or outside its corporate limits, may acquire and hold real and personal property for cemetery purposes by gift, purchase, or (for real property) by exercise of the power of eminent domain, may devote any property owned by the city to use as a cemetery, may prohibit burials at any place within the city other than city cemeteries, and may regulate the manner of burial in city cemeteries. Nothing in this section shall confer upon any city authority to prohibit or regulate burials in cemeteries licensed by the State Burial Association Commissioner, or in church cemeteries.

As used in this Article "cemetery" includes columbariums and facilities for cremation. (1917, c. 136, subch. 5, s. 1; 1919, cc. 136, 237; C. S., s. 2787; 1969, c. 402; 1971, c. 698, s. 1.)

Editor's Note. — The following cases were decided under former § 160-2(3).

City's Power over Interment. — The ownership of a lot in a cemetery, or license to inter therein, is subject to the police power of the State, and interments may be forbidden, and bodies already interred removed, by ordinance of the city, if authorized by act of the legislature. Humphrey v. Board of Trustees of Front Street Methodist Episcopal Church, South, 109 N.C. 132, 13 S.E. 793 (1891).

Ordinance Not Authorized. — Subsection (3) of former § 160-2 did not impliedly authorize a town to enact an ordinance reserving to the town the exclusive right to set memorial markers in cemeteries and requiring the payment of a special charge for setting such markers not purchased from the town. Grave constitutional questions would be raised by any statute giving a town such authority. State v. McGraw, 249 N.C. 205, 105 S.E.2d 659 (1958).

§ 160A-342. Authority to transfer cemeteries. — A city may transfer and convey any city cemetery property, together with any accumulated perpetual care trust funds set aside for the maintenance of the cemetery, to any religious organization or cemetery licensed by the State Burial Association Commissioner, upon condition that the transferee will continue use of the property as a cemetery, will perpetually maintain it, and will apply any perpetual care trust funds so transferred only for maintenance of the cemetery. (1917, c. 136, subch. 5, s. 1; 1919, cc. 136, 237; C. S., s. 2787; 1969, c. 402; 1971, c. 698, s. 1.)

§ 160A-343. Authority to abandon cemeteries. — A city shall have authority to abandon any cemetery that has not been used for interment purposes within 10 years. Upon abandonment, all monuments, tombstones, and the contents of all graves within the cemetery shall be transferred at city expense to another city cemetery, or to a cemetery licensed by the State Burial Association Commissioner. After the transfer of monuments, tombstones, and the contents of graves, the city may take possession of, convey, or use the former cemetery property for any lawful purpose. (1917, c. 136, subch. 5, s. 1; 1919, cc. 136, 237; C. S., s. 2787; 1969, c. 402; 1971, c. 698, s. 1.)

§ 160A-344. Authority to assume control of abandoned cemeteries. — (a) Whenever property not under the control or in the possession of any church or religious organization in any city has been heretofore set aside or used for cemetery purposes, and the trustees or owners named in the deed or deeds for the property have died, or are unknown, or the deeds of conveyance have been lost or misplaced and no record of title thereto has been found, and the property has been occupied and used for burial purposes for a time sufficient to identify its use as cemetery property, the city in which the cemetery is located is authorized to take possession of the land and any adjoining land not held by known claimants of title, have the property surveyed and lines established, and to designate and appropriate the property as a city cemetery.

(b) The city may have the land subdivided and laid off into family burial plots, may sell any of the unused lots so laid off to any person for burial purposes, and may use the proceeds of the sale for the improvement and upkeep of the cemetery.

(c) The city may appropriate and use funds for the improvement and maintenance of the cemetery, and all laws and ordinances applicable to city cemeteries shall apply to the cemetery from and after the date that the city assumes control of it. (1971, c. 698, s. 1.)

§ 160A-345. Authority to condemn cemeteries. — A city shall have authority to acquire title in fee simple by purchase or exercise of the power of eminent

domain to any cemetery, graveyard, or burial place within the city and to operate and maintain the property so acquired as a city cemetery. This section shall not apply to a cemetery licensed by the North Carolina State Burial Association Commissioner, nor to property owned or controlled by any church or religious organization, unless the owner of the property consents to the acquisition. (1951, c. 385, s. 1; 1971, c. 698, s. 1.)

§ 160A-346. Authority to condemn easements for perpetual care. — A city shall have authority to acquire an easement for perpetual care by gift, grant, purchase, or exercise of the power of eminent domain in any cemetery, graveyard, or burial place within the city. When a perpetual care easement is acquired under this section, all city ordinances concerning the care and upkeep of city cemeteries shall be applicable to the cemetery, and the income from city perpetual care trust funds may be used to care for and maintain the cemetery. This section shall not apply to a cemetery licensed by the North Carolina State Burial Association Commissioner or to property owned or controlled by any church or religious organization unless the owner of the property consents to the acquisition. (1951, c. 385, s. 2; 1971, c. 698, s. 1.)

§ 160A-347. Perpetual care trust funds. — (a) A city is authorized to create a perpetual care trust fund for any cemeteries under its ownership or control, to accept gifts, grants, bequests, and devises on behalf of the perpetual care trust fund, to deposit any revenues realized from the sale of lots in or the operation of city cemeteries in the perpetual care trust fund, and to hold and administer the trust fund for the purpose of perpetually caring for and beautifying the city's cemeteries. The city may make contracts with the owners of plots in city cemeteries obligating the city to maintain the plots in perpetuity upon payment of such sums as the council may fix.

(b) The principal of perpetual care trust funds shall be held intact, and the income from such funds shall be used to carry out contracts with plot owners for the perpetual care of the plots, and to maintain and perpetually care for the cemetery.

(c) Perpetual care trust funds shall be kept separate and apart from all other city funds, and shall in no case be appropriated by, lent to, or in any manner used by the city for any purpose other than the perpetual care of city cemeteries. (1917, c. 136, subch. 9, s. 1; C. S., ss. 2810, 2811, 2812; 1927, c. 254; 1971, c. 698, s. 1.)

§ 160A-348. Regulation of city cemeteries. — A city may by ordinance adopt rules and regulations concerning the opening of graves, the erection of tombstones and monuments, the building of walls and fences, the hours of opening and closing and all other matters concerning the use, operation, and maintenance of city cemeteries. The ordinance may impose a schedule of prices for lots and fees for the opening of graves in the cemetery, but it may not require the owners of plots to purchase monuments, vaults, or other items from the city. (1971, c. 698, s. 1.)

§ 160A-349: Reserved for future codification purposes.

ARTICLE 17A.

Cemetery Trustees.

§ 160A-349.1. Creation of board authorized; official title; terms of office; vacancies. — The governing body of any municipal corporation which now owns or shall hereafter own a cemetery is authorized, if it is deemed proper, to create a board composed of not less than three nor more than five persons, to be known as "Cemetery Trustees of the Town or City of ....., North Carolina";

shall fix the term of office of each member, in no case to exceed five years, and in case of any vacancy by death, resignation or otherwise, elect a successor. (Pub. Loc. 1923, c. 583, s. 1.)

Editor's Note. — This Article, which is derived from Public-Local Laws 1923, c. 583, as amended by Session Laws 1951, c. 87, and Session Laws 1973, c. 474, s. 31, was omitted from the General Statutes of 1943, and was codified for the first time in 1973.

§ 160A-349.2. Members to meet and organize; meetings; bond of secretary and treasurer; record of proceedings. — The members of said board, when properly elected, shall within 30 days after notice of their election convene and designate one of their number chairman, one secretary and treasurer, and provide for regular meetings at such times as the said board shall fix; it shall also fix the bond to be given by the secretary and treasurer, conditioned for the faithful accounting of all moneys which shall come into his hands; shall provide for special meetings, and shall cause the secretary to keep a record of its proceedings. (Pub. Loc. 1923, c. 583, s. 2.)

§ 160A-349.3. Property vested. — Upon the creation of such board the title to all property held by the town or city and used for cemetery purposes shall pass to and vest in said board, subject to the same limitations, conditions and restrictions as it was held by the town or city. (Pub. Loc. 1923, c. 583, s. 3.)

§ 160A-349.4. Control and management; superintendent and assistants; enumeration of powers. — The said board shall have the exclusive control and management of such cemetery; shall have the power to employ a superintendent and such assistants as may be needed, and may do any and all things pertaining to the control, maintenance, management and upkeep of the cemetery which the governing body of the town or city could have done, or which by law the governing body of the town or city shall hereafter be authorized to do. (Pub. Loc. 1923, c. 583, s. 4.)

§ 160A-349.5. Rules continued in force. — All rules and regulations heretofore adopted by the town or city for the control, upkeep, management, and maintenance, as well as policing of the cemetery, shall continue in force and effect until and after the said board shall have changed the same as herein provided for. (Pub. Loc. 1923, c. 583, s. 5.)

§ 160A-349.6. Rules for maintaining order and policing; force of rules; copy to governing body; publication. — The said board shall have power to adopt rules and regulations for maintaining order in the cemetery and policing the same, and such rules and regulations, when adopted, shall have the same force and effect as ordinances adopted and passed by the governing body of the town or city. When any such rules and regulations shall be adopted the secretary of the board shall transmit a copy thereof to the governing body of the town or city, and shall cause a copy to be published in some newspaper published in the town or city, and the said rules and regulations shall be in force and effect 10 days after their publication. (Pub. Loc. 1923, c. 583, s. 6.)

§ 160A-349.7. Presentation of budget; details of budget; appropriation; payment to board. — Thirty days prior to the adoption of the annual budget by the governing body of the town or city, the said trustees shall present to such governing body a budget for the ensuing year, in which said budget there shall be set out in detail an accurate account of the receipts and expenditures of the board for the previous year, the estimated expense for the ensuing year, the estimated source of income from all sources, other than appropriation by the governing body of the town or city, any balance on hand, and such other information as the said trustees may think proper; and the said governing body

of the town or city shall in the annual budget include a sufficient appropriation for the care and maintenance of the said cemetery for the ensuing year, which shall be paid over to the board of trustees in monthly installments.

For purposes of the Local Government Budget and Fiscal Control Act (Chapter 159, Subchapter III), the board of trustees of a cemetery is a board of the municipal corporation establishing the board of trustees and is not a public authority as defined by G.S. 159-7. (Pub. Loc. 1923, c. 583, s. 7; 1971, c. 780, s. 37.3; 1973, c. 474, s. 31.)

§ 160A-349.8. Commissioners to obtain maps, plats and deeds; list of lots sold and owners; surveys and plats to be made; additional lots, streets, walks and parkways; price of lots; regulation of sale of lots. — The board of trustees shall obtain from the governing body all maps, plats, deeds and other evidences relating to the lands, lots and property of the cemetery; they shall also obtain from the governing body of the town or city, as nearly as possible, an accurate list of the lots theretofore sold, together with the names of the owners thereof. The said board of trustees shall from time to time cause surveys to be made, maps and plats prepared, laying out additional lots, streets, paths, walks and parkways; shall fix a price at which such lots shall be sold, which price may from time to time, in the discretion of the board, be changed; shall adopt rules and regulations as to the sale of said lots and deliver to the purchaser or purchasers deed or evidences of title thereto. (Pub. Loc. 1923, c. 583, s. 8.)

§ 160A-349.9. Power to acquire land; adjacent property; disposal of money from lot sales; investments; income from investment. — The said board shall have the power to acquire additional lands for cemetery purposes, either by purchase or otherwise. In making such additional acquisitions of property, if possible, they shall acquire adjacent property; all moneys received from the sale of lots shall be held by the board of trustees intact and used for the purchase of additional lands; to beautify and otherwise maintain and keep the present property and the future acquired property. The board may, if it seems best to it, invest the said money in good, interest-bearing securities, payable to the said board, and the income derived therefrom shall be by the board used in the beautifying, maintenance and upkeep of the cemetery or cemeteries under its control. (Pub. Loc. 1923, c. 583, s. 9.)

§ 160A-349.10. Power to condemn land; procedure for condemnation; board incorporated. — If it becomes necessary to acquire additional lands for cemetery purposes and the said board cannot agree with the owners upon the price thereof, the said board shall have the power to condemn the said lands for cemetery purposes, and in so doing the provisions of Chapter 40 shall be followed as nearly as possible, and to that end, and for that purpose, the board of trustees of any cemetery acquired under this Article shall be deemed and considered a corporation and a body politic. (Pub. Loc. 1923, c. 583, s. 10.)

§ 160A-349.11. Price of lands included in budget. — If any lands are acquired by purchase or condemnation for cemetery purposes and the board of trustees shall not have sufficient funds with which to pay for the same, the amount necessary shall be included in their budget, and the governing body of any town or city shall make an appropriation necessary to complete the purchase. (Pub. Loc. 1923, c. 583, s. 11.)

§ 160A-349.12. Power to accept gifts; exclusive use of gifts. — The board of trustees of any cemetery shall have the power to accept gifts, either by devise, bequeath or otherwise, and hold the same for the purposes expressed in the gift, and any moneys coming into the hands of such board by devise or otherwise shall be by the board used exclusively for the purposes for which it is given. (Pub. Loc. 1923, c. 583, s. 12.)

§ 160A-349.13. Sale of unnecessary property. — The board of trustees of any cemetery, created pursuant to this Article, shall have the power to sell at public auction, as provided by G.S. 160-59, any real property, title to which is held by it, which it shall determine to be unfit or unnecessary for cemetery purposes, except when such sale would violate the terms of any deed, gift or trust pursuant to which the property proposed to be sold was acquired. Any such sales and conveyances heretofore made by any such board of trustees are hereby validated. (1951, c. 87.)

Editor's Note. — Section 160-59, referred to in this section, was repealed by Session Laws 1971, c. 698, s. 2. For present provisions as to sale of municipal property at public auction, see § 160A-270.

ARTICLE 18.

Parks and Recreation.

§ 160A-350. Short title. — This Article shall be known and may be cited as the "Recreation Enabling Law." (1945, c. 1052; 1971, c. 698, s. 1.)

Cross Reference. — As to power of counties to establish parks and recreational programs pursuant to this Article, see § 153A-444.

Construction of Swimming Pool Is Public Purpose. — While the construction of a swimming pool as a part of a city's recreation system may not be financed as a necessary expense of government under our constitutional limitation, N.C. Const., Art. V, § 4, without a vote of the people, nevertheless, such a facility is a public purpose. City of Greensboro v. Smith, 239 N.C. 138, 79 S.E.2d 486 (1954) (decided prior to the enactment of this Article).

§ 160A-351. Declaration of State policy. — The lack of adequate recreational programs and facilities is a menace to the morals, happiness, and welfare of the people of this State. Making available recreational opportunities for citizens of all ages is a subject of general interest and concern, and a function requiring appropriate action by both State and local government. The General Assembly therefore declares that the public good and the general welfare of the citizens of this State require adequate recreation programs, that the creation, establishment, and operation of parks and recreation programs is a proper governmental function, and that it is the policy of North Carolina to forever encourage, foster, and provide these facilities and programs for all its citizens. (1945, c. 1052; 1971, c. 698, s. 1.)

§ 160A-352. Recreation defined. — "Recreation" means activities that are diversionary in character and aid in promoting entertainment, pleasure, relaxation, instruction, and other physical, mental, and cultural development and leisure time experiences. (1945, c. 1052; 1971, c. 698, s. 1.)

§ 160A-353. Powers. — In addition to any other powers it may possess to provide for the general welfare of its citizens, each county and city in this State shall have authority to:

(1) Establish and conduct a system of supervised recreation;
(2) Set apart lands and buildings for parks, playgrounds, recreational centers, and other recreational programs and facilities;
(3) Acquire real property, either within or without the corporate limits of the city or the boundaries of the county, including water and air rights, for parks and recreation programs and facilities by gift, grant, purchase, lease, exercise of the power of eminent domain, or any other lawful method.
(4) Provide, acquire, construct, equip, operate, and maintain parks, playgrounds, recreation centers, and recreation facilities, including all

buildings, structures, and equipment necessary or useful in connection therewith;

(5) Appropriate funds to carry out the provisions of this Article;

(6) Accept any gift, grant, lease, loan, bequest, or devise of real or personal property for parks and recreation programs. Devises, bequests, and gifts may be accepted and held subject to such terms and conditions as may be imposed by the grantor or trustor, except that no county or city may accept or administer any terms that require it to discriminate among its citizens on the basis of race, sex, or religion. (1945, c. 1052; 1971, c. 698, s. 1; 1973, c. 426, s. 55.)

Dedication for Recreation Facilities Is for Public Purpose. — The power of cities to dedicate real property for use as recreation centers and for other recreational purposes was expressly conferred by former § 160-156, and the exercise of this power was in the public interest and for a public purpose. Brumley v. Baxter, 225 N.C. 691, 36 S.E.2d 281, 162 A.L.R. 930 (1945), citing White v. City of Charlotte, 209 N.C. 573, 183 S.E. 730 (1936); Atkins v. City of Durham, 210 N.C. 295, 186 S.E. 330 (1936).

Issuance of Bonds. — Municipal corporations were given authority by former §§ 160-156, 160-200(12), and 160-229, to establish parks and playgrounds necessary to the maintenance of the health of their inhabitants, and an ordinance of a populous industrial city which provides for the issuance of bonds to establish and maintain parks and playgrounds for the children of the city was held a valid exercise of its police power under legislative authority for the promotion of the public health, safety, and morals. Atkins v. City of Durham, 210 N.C. 295, 186 S.E. 330 (1936).

Abandonment of Public Park. — The authority to acquire, establish, and regulate parks conferred by former § 160-200(12) did not give a municipality the power to abandon an established public park. Wishart v. City of Lumberton, 254 N.C. 94, 118 S.E.2d 35 (1961).

§ 160A-354. Administration of parks and recreation programs. — A city or county may operate a parks and recreation system as a line department, or it may create a parks and recreation commission and vest in it authority to operate the parks and recreation system. (1945, c. 1052; 1971, c. 698, s. 1.)

§ 160A-355. Joint parks and recreation systems. — Any two or more units of local government may cooperate in establishing parks and recreation systems as authorized in Article 20, Part 1, of this Chapter. (1945, c. 1052; 1967, c. 1228; 1971, c. 698, s. 1.)

§ 160A-356. Financing parks and recreation. — Each county and city is authorized to expend for its parks and recreation system any of its revenues not otherwise limited as to use by law. (1945, c. 1052; 1971, c. 698, s. 1; 1975, c. 664, s. 12.)

Editor's Note. — The 1975 amendment deleted the second and third sentences, which related to the use of locally levied taxes and the issuance of bonds and notes.

§ 160A-357: Repealed by Session Laws 1975, c. 664, s. 13.

§§ 160A-358, 160A-359: Reserved for future codification purposes.

Article 19.

Planning and Regulation of Development.

Part 1. General Provisions.

§ 160A-360. Territorial jurisdiction. — (a) All of the powers granted by this Article may be exercised by any city within its corporate limits. In addition, any city may exercise these powers within a defined area extending not more than

one mile beyond its limits. With the approval of the board or boards of county commissioners with jurisdiction over the area, a city of 10,000 or more population but less than 25,000 may exercise these powers over an area extending not more than two miles beyond its limits and a city of 25,000 or more population may exercise these powers over an area extending not more than three miles beyond its limits. The boundaries of the city's extraterritorial jurisdiction shall be the same for all powers conferred in this Article. No city may exercise extraterritorially any power conferred by this Article that it is not exercising within its corporate limits.

(b) Any council wishing to exercise extraterritorial jurisdiction under this Article shall adopt, and may amend from time to time, an ordinance specifying the areas to be included based upon existing or projected urban development and areas of critical concern to the city, as evidenced by officially adopted plans for its development. Boundaries shall be defined, to the extent feasible, in terms of geographical features identifiable on the ground. A council may, in its discretion, exclude from its extraterritorial jurisdiction areas lying in another county, areas separated from the city by barriers to urban growth, or areas whose projected development will have minimal impact on the city. The boundaries specified in the ordinance shall at all times be drawn on a map, set forth in a written description, or shown by a combination of these techniques. This delineation shall be maintained in the manner provided in G.S. 160A-22 for the delineation of the corporate limits, and shall be recorded in the office of the register of deeds of each county in which any portion of the area lies.

(c) Where the extraterritorial jurisdiction of two or more cities overlaps, the jurisdictional boundary between them shall be a line connecting the midway points of the overlapping area unless the city councils agree to another boundary line within the overlapping area based upon existing or projected patterns of development.

(d) If a city fails to adopt an ordinance specifying the boundaries of its extraterritorial jurisdiction, the county of which it is a part shall be authorized to exercise the powers granted by this Article in any area beyond the city's corporate limits. The county may also, on request of the city council, exercise any or all these powers in any or all areas lying within the city's corporate limits or within the city's specified area of extraterritorial jurisdiction.

(e) No city may hereafter extend its extraterritorial powers under this Article into any area for which the county at that time has adopted and is enforcing a zoning ordinance and subdivision regulations and within which it is enforcing the State Building Code. However, the city may do so where the county is not exercising all three of these powers, or when the city and the county have agreed upon the area within which each will exercise the powers conferred by this Article.

(f) When a city annexes, or a new city is incorporated in, or a city extends its jurisdiction to include, an area that is currently being regulated by the county, the county regulations and powers of enforcement shall remain in effect until (i) the city has adopted such regulations, or (ii) a period of 60 days has elapsed following the annexation or incorporation, whichever is sooner. During this period the city may hold hearings and take any other measures that may be required in order to adopt its regulations for the area.

(g) When a local government is granted powers by this section subject to the request, approval, or agreement of another local government, the request, approval, or agreement shall be evidenced by a formally adopted resolution of that government's legislative body. Any such request, approval, or agreement can be rescinded upon two years' written notice to the other legislative bodies concerned by repealing the resolution. The resolution may be modified at any time by mutual agreement of the legislative bodies concerned.

(h) Nothing in this section shall repeal, modify, or amend any local act which defines the boundaries of a city's extraterritorial jurisdiction by metes and bounds or courses and distances.

(i) Whenever a city or county, pursuant to this section, acquires jurisdiction over a territory that theretofore has been subject to the jurisdiction of another local government, any person who has acquired vested rights under a permit, certificate, or other evidence of compliance issued by the local government surrendering jurisdiction may exercise those rights as if no change of jurisdiction had occurred. The city or county acquiring jurisdiction may take any action regarding such a permit, certificate, or other evidence of compliance that could have been taken by the local government surrendering jurisdiction pursuant to its ordinances and regulations. Except as provided in this subsection, any building, structure, or other land use in a territory over which a city or county has acquired jurisdiction is subject to the ordinances and regulations of the city or county.

(j) Repealed by Session Laws 1973, c. 669, s. 1. (1959, c. 1204; 1961, c. 103; c. 548, ss. 1, 1¾; c. 1217; 1963, cc. 519, 889, 1076, 1105; 1965, c. 121; c. 348, s. 2; c. 450, s. 1; c. 864, ss. 3-6; 1967, cc. 15, 22, 149; c. 197, s. 2; cc. 246, 685; c. 1208, s. 3; 1969, cc. 11, 53; c. 1010, s. 5; c. 1099; 1971, c. 698, s. 1; c. 1076, s. 3; 1973, c. 426, s. 56; c. 525; c. 669, s. 1.)

Local Modification. — Mecklenburg: 1971, c. 860.

Cross References. — As to powers of counties under this Article, see also §§ 153A-320 through 153A-324. As to territorial jurisdiction of counties under this Article, see § 153A-320. As to procedure for adopting or amending county ordinances under this Article, see § 153A-323. As to validation of certain ordinances not in compliance with this section, see § 160A-366.

§ 160A-361. Planning agency. — Any city may by ordinance create or designate one or more agencies to perform the following duties:

(1) Make studies of the area within its jurisdiction and surrounding areas;
(2) Determine objectives to be sought in the development of the study area;
(3) Prepare and adopt plans for achieving these objectives;
(4) Develop and recommend policies, ordinances, administrative procedures, and other means for carrying out plans in a coordinated and efficient manner;
(5) Advise the council concerning the use and amendment of means for carrying out plans;
(6) Exercise any functions in the administration and enforcement of various means for carrying out plans that the council may direct;
(7) Perform any other related duties that the council may direct.

An agency created or designated pursuant to this section may include one or more of the following, with such staff as the council may deem appropriate:

(1) A planning board or commission of any size (not less than three members) or composition deemed appropriate, organized in any manner deemed appropriate;
(2) A joint planning board created by two or more local governments pursuant to Article 20, Part 1, of this Chapter. (1919, c. 23, s. 1; C. S., s. 2643; 1945, c. 1040, s. 2; 1955, cc. 489, 1252; 1959, c. 327, s. 2; c. 390; 1971, c. 698, s. 1; 1973, c. 426, s. 57.)

The planning board (zoning commission) has no legislative, judicial or quasi-judicial power. Its recommendations do not restrict or otherwise affect the legislative power of the "legislative body," i.e., the city council. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971) (decided under former §§ 160-22 and 160-177).

§ 160A-362. Extraterritorial representation. — When a city elects to exercise extraterritorial zoning or subdivision-regulation powers under G.S. 160A-360, it shall in the ordinance creating or designating its planning agency or agencies provide a means of representation for residents of the extraterritorial area to be regulated. Representation may be provided by an advisory board composed of residents of the area. The advisory board shall be given an opportunity to consider and make recommendations concerning any regulations to be applied to the area, any proposed amendments to those regulations, the approval of any proposed land subdivisions within the area, and the grant of any special exceptions, variances, special use permits, or conditional use permits sought for property within the area. In lieu of an advisory board, representation may be provided by appointing residents of the area to the planning agency and the board of adjustment that makes recommendations or grants relief in these matters. The members of the advisory board or representatives on the planning agency and the board of adjustment shall be appointed by the board of county commissioners with jurisdiction over the area. If there is an insufficient number of qualified residents of the area to meet membership requirements, the board of county commissioners may appoint as many other residents of the county as necessary to make up the requisite number. When the extraterritorial area extends into two or more counties, each board of county commissioners concerned shall appoint representatives from its portion of the area, as specified in the ordinance. If a board of county commissioners fails to make these appointments within 90 days after receiving a resolution from the city council requesting that they be made, the city council may make them. If the ordinance so provides, the outside representatives may have equal rights, privileges, and duties with the other members of the agency to which they are appointed, regardless of whether the matters at issue arise within the city or within the extraterritorial area; otherwise they shall function only with respect to matters within the extraterritorial area. (1959, c. 1204; 1961, c. 103; c. 548, ss. 1, 1¾; c. 1217; 1963, cc. 519, 889, 1076, 1105; 1965, c. 121; c. 348, s. 2; c. 450, s. 1; c. 864, ss. 3-6; 1967, cc. 15, 22, 149; c. 197, s. 2; cc. 246, 685; c. 1208, s. 3; 1969, cc. 11, 53; c. 1010, s. 5; c. 1099; 1971, c. 698, s. 1.)

§ 160A-363. Supplemental powers. — A city or its designated planning agency may accept, receive, and disburse in furtherance of its functions any funds, grants, and services made available by the federal government and its agencies, the State government and its agencies, any local government and its agencies, and any private and civic sources. Any city, or its designated planning agency with the concurrence of the council, may enter into and carry out contracts with the State and federal governments or any agencies thereof under which financial or other planning assistance is made available to the city and may agree to and comply with any reasonable conditions that are imposed upon such assistance.

Any city, or its designated planning agency with the concurrence of the council, may enter into and carry out contracts with any other city, county, or regional council or planning agency under which it agrees to furnish technical planning assistance to the other local government or planning agency. Any city, or its designated planning agency with the concurrence of its council, may enter into and carry out contracts with any other city, county, or regional council or planning agency under which it agrees to pay the other local government or planning agency for technical planning assistance.

Any city council is authorized to make any appropriations that may be necessary to carry out any activities or contracts authorized by this Article or to support any planning agency that it may create pursuant to this Article, and to levy taxes for these purposes as a necessary expense. (1919, c. 23, s. 1; C. S., s. 2643; 1945, c. 1040, s. 2; 1955, cc. 489, 1252; 1959, c. 327, s. 2; c. 390; 1971, c. 698, s. 1.)

§ 160A-364. Procedure for adopting or amending ordinances under Article. — Before adopting or amending any ordinance authorized by this Article, the city council shall hold a public hearing on it. A notice of the public hearing shall be given once a week for two successive calendar weeks in a newspaper having general circulation in the area. The notice shall be published the first time not less than 15 days nor more than 25 days before the date fixed for the hearing. (1923, c. 250, s. 4; C. S., s. 2776(u); 1927, c. 90; 1955, c. 1334, s. 1; 1971, c. 698, s. 1; 1973, c. 426, s. 58.)

Local Modification. — City of Greensboro: 1975, c. 100, amending 1973, c. 213.

Cross Reference. — As to validation of certain ordinances not in compliance with this section, see § 160A-366.

Applied in Town of Mount Olive v. Price, 20 N.C. App. 302, 201 S.E.2d 362 (1973).

§ 160A-365. Enforcement of ordinances. — Subject to the provisions of the ordinance, any ordinance adopted pursuant to authority conferred by this Article may be enforced by any remedy provided by G.S. 160A-175. (1971, c. 698, s. 1.)

§ 160A-366. Validation of ordinance. — Any city ordinance regularly adopted before January 1, 1972, under authority of general laws revised and reenacted in Chapter 160A, Article 19, or under authority of any city charter or local act concerning the same subject matter, is validated with respect to its application within the corporate limits of the city and as to its application within the extraterritorial jurisdiction of the city. Such an ordinance, and any city ordinance adopted since January 1, 1972, under authority of general laws revised and reenacted in Chapter 160A, Article 19, are hereby validated, notwithstanding the fact that such ordinances were not recorded pursuant to G.S. 160A-360(b) or 160A-364 and notwithstanding the fact that the adopting city council did not also adopt an ordinance defining or delineating by specific description the areas within its extraterritorial jurisdiction pursuant to G.S. 160A-360; provided that this act shall be deemed to validate ordinances of cities in Mecklenburg County only with respect to their application within the corporate limits of such cities. (1973, c. 669, s. 2.)

§§ 160A-367 to 160A-370: Reserved for future codification purposes.

Part 2. Subdivision Regulation.

§ 160A-371. Subdivision regulation. — A city may by ordinance regulate the subdivision of land within its territorial jurisdiction. (1955, c. 1334, s. 1; 1971, c. 698, s. 1.)

§ 160A-372. Contents and requirements of ordinance. — A subdivision control ordinance may provide for the orderly growth and development of the city; for the coordination of streets and highways within proposed subdivisions with existing or planned streets and highways and with other public facilities; for the dedication or reservation of recreation areas serving residents of the immediate neighborhood within the subdivision, and rights-of-way or easements for street and utility purposes; and for the distribution of population and traffic in a manner that will avoid congestion and overcrowding and will create conditions essential to public health, safety, and the general welfare. The ordinance may include requirements that the final plat show sufficient data to determine readily and reproduce accurately on the ground the location, bearing, and length of every street and alley line, lot line, easement boundary line, and other property boundaries, including the radius and other data for curved property lines, to an appropriate accuracy and in conformance with good surveying practice.

The ordinance may provide for the more orderly development of subdivisions by requiring the construction of community service facilities in accordance with municipal policies and standards and, to assure compliance with these requirements, the ordinance may provide for the posting of bond or any other method that will offer guarantee of compliance.

The ordinance may provide for the reservation of school sites in accordance with comprehensive land use plans approved by the council or the planning agency. In order for this authorization to become effective, before approving such plans the council or planning agency and the board of education with jurisdiction over the area shall jointly determine the specific location and size of any school sites to be reserved, which information shall appear in the comprehensive land use plan. Whenever a subdivision is submitted for approval which includes part or all of a school site to be reserved under the plan, the council or planning agency shall immediately notify the board of education and the board shall promptly decide whether it still wishes the site to be reserved. If the board of education does not wish to reserve the site, it shall so notify the council or planning agency and no site shall be reserved. If the board does wish to reserve the site, the subdivision shall not be approved without such reservation. The board of education shall then have 18 months beginning on the date of final approval of the subdivision within which to acquire the site by purchase or by initiating condemnation proceedings. If the board of education has not purchased or begun proceedings to condemn the site within 18 months, the subdivider may treat the land as freed of the reservation.

The ordinance may require that a plat be prepared, approved, and recorded pursuant to its provisions whenever any subdivision of land takes place. (1955, c. 1334, s. 1; 1961, c. 1168; 1971, c. 698, s. 1; 1973, c. 426, s. 59.)

§ 160A-373. Ordinance to contain procedure for plat approval; approval prerequisite to plat recordation; statement by owner. — Any subdivision ordinance adopted pursuant to this Part shall contain provisions setting forth the procedures to be followed in granting or denying approval of a subdivision plat prior to its registration.

The ordinance may provide that final approval of each individual subdivision plat is to be given by

(1) The city council,

(2) The city council on recommendation of a planning agency, or

(3) A designated planning agency.

From and after the time that a subdivision ordinance is filed with the register of deeds of the county, no subdivision plat of land within the city's jurisdiction shall be filed or recorded until it shall have been submitted to and approved by the appropriate agency, as specified in the subdivision ordinance, and until this approval shall have been entered on the face of the plat in writing by the chairman or head of the agency. The register of deeds shall not file or record a plat of a subdivision of land located within the territorial jurisdiction of a city that has not been approved in accordance with these provisions, nor shall the clerk of superior court order or direct the recording of a plat if the recording would be in conflict with this section. The owner of land shown on a subdivision plat submitted for recording, or his authorized agent, shall sign a statement on the plat stating whether or not any land shown thereon is within the subdivision-regulation jurisdiction of any city. (1955, c. 1334, s. 1; 1971, c. 698, s. 1; 1973, c. 426, s. 60.)

Editor's Note. — For article, "Transferring North Carolina Real Estate, Part I: How the Present System Functions," see 49 N.C.L. Rev. 413 (1971).

Subdivision Ordinances and Amendments Thereto Must Be Filed with Register of Deeds; Recording These Ordinances Includes Indexing and Filing. — See opinion of Attorney General to Mr. James Dick Proctor, 41 N.C.A.G. 752 (1972).

§ 160A-374. Effect of plat approval on dedications. — The approval of a plat shall not be deemed to constitute or effect the acceptance by the city or public of the dedication of any street or other ground, public utility line, or other public facility shown on the plat. However, any city council may by resolution accept any dedication made to the public of lands or facilities for streets, parks, public utility lines, or other public purposes, when the lands or facilities are located within its subdivision-regulation jurisdiction. Acceptance of dedication of lands or facilities located within the subdivision-regulation jurisdiction but outside the corporate limits of a city shall not place on the city any duty to open, operate, repair, or maintain any street, utility line, or other land or facility, and a city shall in no event be held to answer in any civil action or proceeding for failure to open, repair, or maintain any street located outside its corporate limits. (1955, c. 1334, s. 1; 1971, c. 698, s. 1.)

§ 160A-375. Penalties for transferring lots in unapproved subdivisions. — If a city adopts an ordinance regulating the subdivision of land as authorized herein, any person who, being the owner or agent of the owner of any land located within the jurisdiction of that city, thereafter subdivides his land in violation of the ordinance or transfers or sells land by reference to, exhibition of, or any other use of a plat showing a subdivision of the land before the plat has been properly approved under such ordinance and recorded in the office of the appropriate register of deeds, shall be guilty of a misdemeanor. The description by metes and bounds in the instrument of transfer or other document used in the process of selling or transferring land shall not exempt the transaction from this penalty. The city, through its attorney or other official designated by the council, may enjoin illegal subdivision, transfer, or sale of land by action for injunction. (1955, c. 1334, s. 1; 1971, c. 698, s. 1.)

§ 160A-376. Definition. — For the purpose of this Part, "subdivision" means all divisions of a tract or parcel of land into two or more lots, building sites, or other divisions for the purpose of sale or building development (whether immediate or future) and shall include all divisions of land involving the dedication of a new street or a change in existing streets; but the following shall not be included within this definition nor be subject to the regulations authorized by this Part:

(1) The combination or recombination of portions of previously platted lots where the total number of lots is not increased and the resultant lots are equal to or exceed the standards of the municipality as shown in its subdivision regulations;
(2) The division of land into parcels greater than 10 acres where no street right-of-way dedication is involved;
(3) The public acquisition by purchase of strips of land for the widening or opening of streets; and
(4) The division of a tract in single ownership whose entire area is no greater than two acres into not more than three lots, where no street right-of-way dedication is involved and where the resultant lots are equal to or exceed the standards of the municipality, as shown in its subdivision regulations. (1955, c. 1334, s. 1; 1971, c. 698, s. 1; 1973, c. 426, s. 61.)

§§ 160A-377 to 160A-380: Reserved for future codification purposes.

Part 3. Zoning.

§ 160A-381. Grant of power. — For the purpose of promoting health, safety, morals, or the general welfare of the community, any city is hereby empowered to regulate and restrict the height, number of stories and size of buildings and other structures, the percentage of lots that may be occupied, the size of yards, courts and other open spaces, the density of population, and the location and use of buildings, structures and land for trade, industry, residence or other purposes. These regulations may provide that a board of adjustment may determine and vary their application in harmony with their general purpose and intent and in accordance with general or specific rules therein contained. The regulations may also provide that the board of adjustment or the city council may issue special use permits or conditional use permits in the classes of cases or situations and in accordance with the principles, conditions, safeguards, and procedures specified therein and may impose reasonable and appropriate conditions and safeguards upon these permits. Where appropriate, such conditions may include requirements that street and utility rights-of-way be dedicated to the public and that provision be made of recreational space and facilities. (1923, c. 250, s. 1; C. S., s. 2776(r); 1967, c. 1208, s. 1; 1971, c. 698, s. 1.)

Editor's Note. — Many of the cases cited in the annotations to the sections in this Part were decided under former §§ 160-172 to 160-181.2 and other similar provisions.

Similarity of Provisions. — The language of former § 160-172 granting cities and towns the power to regulate by zoning, and former § 153-266.10 granting the same power to boards of commissioners of counties, were almost identical in phraseology, as were former § 160-178 providing for a board of adjustment under a city ordinance and former § 153-266.17 providing for a board of adjustment under a county ordinance. Jackson v. Guilford County Bd. of Adjustment, 2 N.C. App. 408, 163 S.E.2d 265 (1968).

Former §§ 160-172 and 160-173 conferred upon the legislative bodies of cities and incorporated towns essentially the same authority as that conferred upon boards of county commissioners by former §§ 153-266.10 and 153-266.11, respectively. Keiger v. Winston-Salem Bd. of Adjustment, 278 N.C. 17, 178 S.E.2d 616 (1971).

Zoning ordinances are in derogation of the right of private property, and where exemptions appear in favor of the property owner, they must be liberally construed in favor of such owner. Heaton v. City of Charlotte, 277 N.C. 506, 178 S.E.2d 352 (1971).

Zoning ordinances are in derogation of the rights of private property and should be liberally construed in favor of the property owner. Clark v. Richardson, 24 N.C. App. 556, 211 S.E.2d 530 (1975).

The original zoning power of the State reposes in the General Assembly. Schloss v. Jamison, 262 N.C. 108, 136 S.E.2d 691 (1964); Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971); Keiger v. Winston-Salem Bd. of Adjustment, 278 N.C. 17, 178 S.E.2d 616 (1971); Allgood v. Town of Tarboro, 281 N.C. 430, 189 S.E.2d 255 (1972).

The power to zone is the power of the State and rests initially in the General Assembly. Decker v. Coleman, 6 N.C. 102, 169 S.E.2d 487 (1969).

The power to zone is the power originally vested in the General Assembly to legislate with reference to the use which may be made of land and the structures which may be erected or located thereon. Keiger v. Winston-Salem Bd. of Adjustment, 278 N.C. 17, 178 S.E.2d 616 (1971).

The power to zone is the power of the State and rests in the General Assembly originally. There, it is subject to the limitations imposed by the Constitution upon the legislative power forbidding arbitrary and unduly discriminatory interference with the rights of property owners. Zopfi v. City of Wilmington, 273 N.C. 430, 160 S.E.2d 325 (1968).

The zoning power of municipalities is derived from the State. State v. Joyner, 286 N.C. 366, 211 S.E.2d 320 (1975).

Power Has Been Delegated to Cities and Towns. — The General Assembly has delegated to the legislative body of cities and incorporated towns the power to adopt zoning regulations and, from time to time, to amend or repeal such regulations. In re Markham, 259 N.C. 566, 131 S.E.2d 329, cert. denied, 375 U.S. 931, 84 S. Ct. 332, 11 L. Ed. 2d 263 (1963).

The General Assembly has delegated its police powers to enact zoning regulations to municipal corporations. Armstrong v. McInnis, 264 N.C. 616, 142 S.E.2d 670 (1965).

The General Assembly may delegate power to a municipal corporation to enact zoning ordinances in the exercise of police power of the State. Jackson v. Guilford County Bd. of Adjustment, 275 N.C. 155, 166 S.E.2d 78 (1969).

A municipal corporation has no inherent power to zone its territory and restrict to specified purposes the use of private property in each such zone. Such power has, however, been delegated to the cities and incorporated towns of this State by the General Assembly. Zopfi v. City of Wilmington, 273 N.C. 430, 160 S.E.2d 325 (1968); Decker v. Coleman, 6 N.C. App. 102, 169 S.E.2d 487 (1969).

A municipality has no inherent power to zone its territory and possesses only such power to zone as is delegated to it by the enabling statutes. Heaton v. City of Charlotte, 277 N.C. 506, 178 S.E.2d 352 (1971).

Through the provisions of former Article 14 of Chapter 160, 14 cities and towns of this State were delegated the authority to zone property within their boundaries and to restrict to specified purposes the uses of private property within each zone. Allred v. City of Raleigh, 7 N.C. App. 602, 173 S.E.2d 533 (1970), rev'd on other grounds, 277 N.C. 530, 178 S.E.2d 432 (1971).

The General Assembly has delegated to the legislative body of a municipality the power to adopt zoning regulations for the purpose of promoting health, safety, morals or the general welfare of the community. Allgood v. Town of Tarboro, 281 N.C. 430, 189 S.E.2d 255 (1972).

Delegation of Power to Zone Is Exception to General Rule. — The authority of the General Assembly to delegate to municipal corporations power to legislate concerning local problems, such as zoning, is an exception (established by custom in most, if not all, of the states) to the general rule that legislative powers, vested in the General Assembly by N.C. Const., Art. II, § 1, may not be delegated by it. This exception to the doctrine of nondelegation is not limited to a delegation of such legislative authority to incorporated cities and towns, but extends, as to other types of local matters, to a like delegation to counties and other units established by the General Assembly for local government. Jackson v. Guilford County Bd. of Adjustment, 275 N.C. 155, 166 S.E.2d 78 (1969).

Validity of Enabling Statutes. — Statutes which have been passed authorizing the governing bodies of municipal corporations to enact zoning ordinances prescribing that in certain areas only designated types of buildings may be erected and used have been generally upheld by the courts as an exercise of the police power of the State. Vance S. Harrington & Co. v. Renner, 236 N.C. 321, 72 S.E.2d 838 (1952); City of Raleigh v. Morand, 247 N.C. 363, 100 S.E.2d 870 (1957).

Delegation of Power Cannot Exceed Power of General Assembly. — The General Assembly cannot delegate to a municipal corporation more extensive power to regulate the use of private property than the General Assembly itself possesses. Zopfi v. City of Wilmington, 273 N.C. 430, 160 S.E.2d 325 (1968).

Power Cannot Be Further Delegated. — The power to zone is conferred upon the governing body of the municipality and cannot be delegated to the board of adjustment. Hence, a board of adjustment has no power to permit a type of business or building prohibited by the ordinance, for to do so would be an amendment of the law and not a variance of its regulations. James v. Sutton, 229 N.C. 515, 50 S.E.2d 300 (1948); In re O'Neal, 243 N.C. 714, 92 S.E.2d 189 (1956).

The legislative body of the municipal corporation may not delegate to the municipal board of adjustment the power to zone. Keiger v. Winston-Salem Bd. of Adjustment, 278 N.C. 17, 178 S.E.2d 616 (1971).

The legislative body of the municipal corporation may not delegate to the municipal board of adjustment the power to zone; that is, the power originally vested in the General Assembly to legislate with reference to the use which may be made of land and the structures which may be erected or located thereon. It follows that a county zoning ordinance may not delegate such legislative powers to the county board of adjustment. Jackson v. Guilford County Bd. of Adjustment, 275 N.C. 155, 166 S.E.2d 78 (1969).

It would constitute an unlawful delegation of the legislative power vested by the General Assembly in the board of aldermen of Winston-Salem pursuant to this section to allow the board of adjustment to deny a special permit on the ground that the board of adjustment did not consider a use specified in the ordinance as a conditional permissible use to be in accord with the "purpose and intent" of the ordinance. Keiger v. Winston-Salem Bd. of Adjustment, 278 N.C. 17, 178 S.E.2d 616 (1971).

Nor Exercised by Board of Adjustment. — There is no substantial difference between the denial of a permit on the ground the conditional use is adverse to the public interest and the denial thereof on the ground the conditional use is not in accord with the "purpose and intent" of the ordinance; so, the denial of an application on this ground constituted an unlawful exercise of legislative power by the board of adjustment in violation of N.C. Const., Art. II, § 1. Keiger v. Winston-Salem Bd. of Adjustment, 278 N.C. 17, 178 S.E.2d 616 (1971).

Power Need Not Be Exercised. — The grant of the power to zone to a municipal corporation imposes no duty upon the city or town to exercise it, and the courts may not require the city or town to enact zoning legislation. This is a matter within the discretion of the legislative body of the city or town. Zopfi v. City of Wilmington, 273 N.C. 430, 160 S.E.2d 325 (1968).

Power Not Exhausted by Adoption of Zoning Ordinance. — The adoption of a zoning ordinance in exercise of the police power, thus

delegated to a municipal corporation, does not exhaust that power. Zopfi v. City of Wilmington, 273 N.C. 430, 160 S.E.2d 325 (1968).

Municipality exercises the police power of the State within the limits of the zoning power delegated. Schloss v. Jamison, 262 N.C. 108, 136 S.E.2d 691 (1964); Keiger v. Winston-Salem Bd. of Adjustment, 278 N.C. 17, 178 S.E.2d 616 (1971).

In enacting and enforcing zoning regulations, a municipality acts as a governmental agency and exercises the police power of the State. Armstrong v. McInnis, 264 N.C. 616, 142 S.E.2d 670 (1965); Taylor v. Bowen, 272 N.C. 726, 158 S.E.2d 837 (1968).

Zoning laws, when valid, are an exercise of the police power of the sovereign reasonably to regulate or restrict the use of private property to promote the public health, the public safety, the public morals or the public welfare. Zopfi v. City of Wilmington, 273 N.C. 430, 160 S.E.2d 325 (1968).

But Power Is Subject to Limitations of Enabling Act. — The power to zone, conferred upon the "legislative body" of a municipality, is subject to the limitations of the enabling act. Schloss v. Jamison, 262 N.C. 108, 136 S.E.2d 691 (1964); Keiger v. Winston-Salem Bd. of Adjustment, 278 N.C. 17, 178 S.E.2d 616 (1971).

The authority of a city or town to enact zoning ordinances is subject both to the limitations imposed by the Constitution and to the limitations of the enabling statute. Zopfi v. City of Wilmington, 273 N.C. 430, 160 S.E.2d 325 (1968).

The power to zone, conferred upon the legislative body of a municipality, is subject to the limitations of the enabling act. Within the limits of the powers so delegated the municipality exercises the police power of the State. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

The authority to zone property and to restrict to specified purposes the uses of private property within each zone is limited by the provisions of the enabling statute and also by constitutional provisions which forbid arbitrary and unduly discriminatory interference with the rights of property owners. Allred v. City of Raleigh, 7 N.C. App. 602, 173 S.E.2d 533 (1970), rev'd on other grounds, 277 N.C. 530, 178 S.E.2d 432 (1971).

Exercise by a city of delegated power to zone is subject both to limitations imposed by the Constitution upon the legislative power of the State itself, forbidding arbitrary and unduly discriminatory interference with the rights of property owners, and is also subject to the limitations in the statutes by which the power was delegated. Decker v. Coleman, 6 N.C. App. 102, 169 S.E.2d 487 (1969).

The authority to enact zoning ordinances is subject to the limitations imposed by the enabling statute and by the Constitution. These limitations forbid arbitrary and unduly discriminatory interference with property rights in the exercise of such power. Heaton v. City of Charlotte, 277 N.C. 506, 178 S.E.2d 352 (1971); Keiger v. Winston-Salem Bd. of Adjustment, 281 N.C. 715, 190 S.E.2d 175 (1972).

A zoning ordinance or an amendment thereto which is not adopted in accordance with the enabling statute is invalid and ineffective. Keiger v. Winston-Salem Bd. of Adjustment, 281 N.C. 715, 190 S.E.2d 175 (1972).

Disregarding Enabling Act May Be Arbitrary. — Notwithstanding that the motivation of the members of a city legislative body may be laudable, any action of that body that disregards the fundamental concepts of zoning as set forth in the enabling legislation may be arbitrary and capricious. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

Zoning Ordinance Is Not Contract. — In enacting a zoning ordinance a municipality is engaged in legislating and not in contracting. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

Special Use Permit. — Where a municipal ordinance required the board of adjustment to issue a special use permit when it made certain affirmative findings specified in the ordinance, the board's determination of whether to issue a special use permit was not an unlawful exercise of legislative power. Kenan v. Board of Adjustment, 13 N.C. App. 688, 187 S.E.2d 496 (1972).

Permit May Not Be Denied under Invalid Amendment. — An applicant's right to a permit, denied under an existing valid ordinance which entitled him to it, may not be defeated by a purported amendment which was void ab initio because it was not adopted as required by the enabling statute. Keiger v. Winston-Salem Bd. of Adjustment, 281 N.C. 715, 190 S.E.2d 175 (1972).

Vested Rights under Building Permit. — The issuance of a building permit to which the permittee is entitled under the existing ordinance creates no vested right to build contrary to the provisions of a subsequently enacted zoning ordinance, unless the permittee, acting in good faith, has made substantial expenditures in reliance upon the permit at a time when they did not violate declared public policy. Keiger v. Winston-Salem Bd. of Adjustment, 281 N.C. 715, 190 S.E.2d 175 (1972).

When, at the time a builder obtains a permit, he has knowledge of a pending ordinance which would make the authorized construction a nonconforming use and thereafter hurriedly makes expenditures in an attempt to acquire a vested right before the law can be changed, he does not act in good faith and acquires no rights under the permit. Keiger v. Winston-Salem Bd.

of Adjustment, 281 N.C. 715, 190 S.E.2d 175 (1972).

Safeguards against arbitrary action by zoning boards in granting or denying special use permits are not only to be found in specific guidelines for their action. Equally important is the requirement that in each instance the board (1) follow the procedures specified in the ordinance; (2) conduct its hearings in accordance with fair-trial standards; (3) base its findings of fact only upon competent, material, and substantial evidence; and (4) in allowing or denying the application, it state the basic facts on which it relied with sufficient specificity to inform the parties, as well as the court, what induced its decision. Humble Oil & Ref. Co. v. Board of Aldermen, 284 N.C. 458, 202 S.E.2d 129 (1974).

Provisions for amortization of nonconforming uses in zoning ordinances are valid if reasonable, and the per se rule holding all amortization provisions unconstitutional is rejected. State v. Joyner, 286 N.C. 366, 211 S.E.2d 320 (1975).

Validity of Ordinances. — An ordinance passed under an enabling statute following its provisions and carrying it into effect in the city passing it, prescribing uniform regulations for each zone or district and giving an inspector certain judicial functions with respect to the kind or class of buildings under a board of adjustment and review, and providing for certiorari is a valid exercise of power and not repugnant to the organic law prohibiting discriminations. Harden v. City of Raleigh, 192 N.C. 395, 135 S.E. 151 (1926).

A zoning ordinance limiting the uses of property solely on the basis of race is beyond the scope of police power, since the reserved police power of the State must stop when it encroaches on the protection afforded the citizen by the federal Constitution. Clinard v. City of Winston-Salem, 217 N.C. 119, 6 S.E.2d 867, 126 A.L.R. 634 (1940).

A zoning ordinance covering all land within the municipality and separating commercial and industrial districts of the city from those set apart for residences, schools, parks, libraries, churches, etc., and which is uniform and operates alike on all territory within the respective zones, bears a reasonable relation to the health, safety, morals and general welfare of the entire community and is a valid and constitutional exercise of the delegated police power of the municipality. Kinney v. Sutton, 230 N.C. 404, 53 S.E.2d 306 (1949).

The fact that a lot would be more valuable if devoted to a nonconforming use does not deprive the owner of property without due process of law when the zoning regulations are uniform in their application to all within the respective districts, and the differentiation of the uses of property within the respective districts is in accordance with a comprehensive plan in the interest of the health, safety, morals or general welfare of the entire community. Kinney v. Sutton, 230 N.C. 404, 53 S.E.2d 306 (1949).

Provisions of a zoning ordinance which permits commercial and industrial activities within a residential district, provided such activities are carried on by members of the immediate family and not more than two persons are employed therein, does not render the ordinance void as being discriminatory, since the commercial activities permitted thereunder in a residential district are so intrinsically different from unlimited commercial and industrial activities in general as to permit their separate classification. Kinney v. Sutton, 230 N.C. 404, 53 S.E.2d 306 (1949).

An ordinance which purports to prohibit the erection of a gin or mill in the town without the consent of neighboring property owners cannot be upheld. Wilcher v. Sharpe, 236 N.C. 308, 72 S.E.2d 662 (1952), commented on in 31 N.C.L. Rev. 308 (1953).

As a general rule a zoning ordinance of a municipality is valid and enforceable if it emanates from ample grant of power by the legislature to the city or town, if it has a reasonable tendency to promote the public safety, health, morals, comfort, welfare and prosperity and if its provisions are not arbitrary, unreasonable or confiscatory. Helms v. City of Charlotte, 255 N.C. 647, 122 S.E.2d 817 (1961).

It is not a prerequisite to the validity of a zoning ordinance that the zoning district lines should coincide with property lines. Helms v. City of Charlotte, 255 N.C. 647, 122 S.E.2d 817 (1961).

The mere fact that a zoning ordinance seriously depreciates the value of complainant's property is not enough, standing alone, to establish its invalidity. Helms v. City of Charlotte, 255 N.C. 647, 122 S.E.2d 817 (1961); County of Durham v. Addison, 262 N.C. 280, 136 S.E.2d 600 (1964).

A municipal zoning ordinance is confiscatory and invalid in its application to a particular lot if it is practically impossible to use such lot for the purpose permitted by the ordinance so that the ordinance renders such property valueless for practical purposes. Helms v. City of Charlotte, 255 N.C. 647, 122 S.E.2d 817 (1961).

Zoning ordinances are upheld when, but only when, they bear a substantial relation to the public health, safety, morals, or general welfare. Schloss v. Jamison, 262 N.C. 108, 136 S.E.2d 691 (1964).

The court will not substitute its judgment for that of the legislative body charged with the primary duty and responsibility of determining whether its action is in the interest of the public health, safety, morals, or general welfare. Schloss v. Jamison, 262 N.C. 108, 136 S.E.2d 691 (1964).

When the most that can be said against an ordinance adopted in the proper exercise of the police power is that whether it was an unreasonable, arbitrary or unequal exercise of power is fairly debatable, the courts will not interfere. Schloss v. Jamison, 262 N.C. 108, 136 S.E.2d 691 (1964).

If the police power is properly exercised in the zoning of a municipality, a resultant pecuniary loss to a property owner is a misfortune which he must suffer as a member of society. Schloss v. Jamison, 262 N.C. 108, 136 S.E.2d 691 (1964).

A zoning ordinance or an amendment thereto which is not adopted in accordance with the enabling statutes is invalid and ineffective. Heaton v. City of Charlotte, 277 N.C. 506, 178 S.E.2d 352 (1971).

A particular zoning enactment or provision thereof may be judicially declared to be inoperative and void for uncertainty, vagueness, or indefiniteness. However, the courts will not, in doubtful cases, declare a statute to be so meaningless and unintelligible as to be inoperative. Heaton v. City of Charlotte, 277 N.C. 506, 178 S.E.2d 352 (1971).

With reference to zoning the law is disposed to interpret language in the light of surrounding circumstances and to give to words their ordinary meaning and significance. Heaton v. City of Charlotte, 277 N.C. 506, 178 S.E.2d 352 (1971).

Zoning ordinance which prohibited operation of a building material salvage yard in certain districts, and which permitted a three-year period after it was adopted for the removal of such business, is not so arbitrary, unreasonable or unrelated to the general welfare of the community as to be unconstitutional by its terms, but to the contrary, it represents a conscious effort on the part of the legislative body of the city to regulate the use of land throughout the city and thus promote the health, safety or general welfare of the community. State v. Joyner, 286 N.C. 366, 211 S.E.2d 320 (1975).

In examining the reasonableness of a zoning ordinance, due process dictates that the court look at the entire ordinance and not only at the provision as it applies to a particular inhabitant of the municipality. State v. Joyner, 286 N.C. 366, 211 S.E.2d 320 (1975).

City Council May Adopt Comprehensive Zoning Ordinance. — Former §§ 160-172 and 160-173 conferred upon a city council legislative power to adopt a comprehensive zoning ordinance. Schloss v. Jamison, 262 N.C. 108, 136 S.E.2d 691 (1964).

The validity of comprehensive zoning ordinances has been recognized by the Supreme Court of the United States and by the Supreme Court of North Carolina. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

Former § 160-172 and the charter of the City of Raleigh confer upon the city council of Raleigh legislative power to enact a comprehensive zoning ordinance. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

And May Determine Signs Permitted in Each District. — Subject to constitutional limitations, a city council has authority to determine and define legislatively what signs will be permitted in each of the respective zones or districts. Schloss v. Jamison, 262 N.C. 108, 136 S.E.2d 691 (1964).

Two of the essentials of a comprehensive zoning ordinance are: (1) it applies to all territory subject to the zoning jurisdiction of a city council, including the area beyond and surrounding the corporate limits of the city for a distance of one mile in all directions, and (2) with reference to property within a particular district or zone, all uses permissible in the zone are available as of right to the owner. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

Same Restrictions Must Apply to Each Class. — When a classification of a zone has been made, all the areas in each class must be subject to the same restrictions. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

Zoning Regulations May Be Amended and Changed. — In enacting a zoning ordinance, a municipality is engaged in legislating and not in contracting. As a consequence, a zoning ordinance fixing the boundaries of zones does not result in a contract between the municipality and property owners precluding the municipality from afterwards changing the boundaries if it deems a change to be desirable. Moreover, a zoning ordinance does not vest in a property owner the right that the restrictions imposed by it upon his property or the property of others shall remain unaltered. For these reasons, zoning regulations may be amended or changed when such action is authorized by the enabling statute and does not contravene constitutional limitations on the zoning power. Marren v. Gamble, 237 N.C. 680, 75 S.E.2d 880 (1953).

City May Limit Use of Property in Residential District. — Former § 160-172 authorized municipalities to enact zoning ordinances prohibiting the use of property within a residential district for business or commercial purposes. Kinney v. Sutton, 230 N.C. 404, 53 S.E.2d 306 (1949).

Variance and Nonconforming Buildings. — The privilege of erecting a nonconforming building or a building for a nonconforming use may not be granted under the guise of a variance permit, and action to that effect is in direct conflict with the general purpose and intent of the ordinance and does violence to its spirit. Lee v. Board of Adjustment, 226 N.C. 107, 37 S.E.2d 128 (1946).

Special Exception. — A special exception within the meaning of a zoning ordinance is one which is expressly permitted in a given zone upon proof that certain facts and conditions detailed in the ordinance exist. It is granted by the board of adjustment, after a public hearing, upon a finding that the specified conditions have been satisfied. Keiger v. Winston-Salem Bd. of Adjustment, 278 N.C. 17, 178 S.E.2d 616 (1971).

Storage of Gasoline. — A municipal ordinance prohibiting storage of gasoline within the fire district of the city in tanks with a capacity greater than 4,400 gallons bears sufficient relationship to the public safety to come within the police power of the municipality, at least for purpose of sustaining a finding to that effect upon the hearing of an order to show cause why a temporary order restraining the violation of the ordinance should not be continued to the hearing. City of Fayetteville v. Spur Distrib. Co., 216 N.C. 596, 5 S.E.2d 838 (1939).

Building Inspector Must Follow Literal Provisions of Regulations. — In the issuing of building permits the building inspector, a purely administrative agent, must follow the literal provisions of the zoning regulations. Lee v. Board of Adjustment, 226 N.C. 107, 37 S.E.2d 128 (1946).

Validity of Ordinance Presents Questions of Fact. — Controversies in respect of facts pertinent to the validity of a rezoning ordinance present questions of fact for determination by the superior court judge. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

This section contains no provision for judicial review by certiorari or otherwise of the action of the legislative body of cities and towns with reference to the enactment, amendment or repeal of zoning regulations. In re Markham, 259 N.C. 566, 131 S.E.2d 329, cert. denied, 375 U.S. 931, 84 S. Ct. 332, 11 L. Ed. 2d 263 (1963). As to review of decisions of board of adjustment, see § 160A-388(e).

§ 160A-382. Districts. — For any or all these purposes, the city may divide its territorial jurisdiction into districts of any number, shape, and area that may be deemed best suited to carry out the purposes of this Part; and within those districts it may regulate and restrict the erection, construction, reconstruction, alteration, repair or use of buildings, structures, or land. All regulations shall be uniform for each class or kind of building throughout each district, but the regulations in one district may differ from those in other districts. (1923, c. 250, s. 2; C. S., s. 2776(s); 1931, c. 176, s. 1; 1933, c. 7; 1963, c. 1058, s. 1; 1971, c. 698, s. 1; 1973, c. 426, s. 60.)

Cross Reference. — See Editor's note to § 160A-381.

Two of the essentials of a comprehensive zoning ordinance are: (1) it applies to all territory subject to the zoning jurisdiction of a city council, including the area beyond and surrounding the corporate limits of the city for a distance of one mile in all directions; and (2) with reference to property within a particular district or zone, all uses permissible in the zone are available as of right to the owner. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

Nature of Uniformity of Law. — In one part of a district a filling station may be noxious or offensive to the public within the purview of the ordinance and in another part it may not be; at one place it may menace the public safety and at another it may not. Conditions and probable results must be taken into account. This is the principle on which the board of adjustment has acted; it passes on individual cases, of course, but each case is determined in the contemplation of the statute and the ordinance by a uniform rule. Harden v. City of Raleigh, 192 N.C. 395, 135 S.E. 151 (1926).

Restrictions on Use Must Be Uniform in All Areas of Same Class. — When a city adopts a zoning ordinance, restrictions on use must be uniform in all areas in a defined class or district. Different areas in a municipality may be put in the same class. The law does not require all areas of a defined class to be contiguous, but when the classification has been made, all areas in each class must be subject to the same restrictions. Decker v. Coleman, 6 N.C. App. 102, 169 S.E.2d 487 (1969).

When a classification of a zone has been made, all the areas in each class must be subject to the same restrictions. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

Zoning District Lines Need Not Coincide with Property Lines. — It is not required that zoning district lines coincide with property lines, regardless of the area involved. Penny v. City of Durham, 249 N.C. 596, 107 S.E.2d 72 (1959).

To hold that zoning district lines must coincide with property lines, regardless of area involved, would be to render the act largely ineffective. Heaton v. City of Charlotte, 277 N.C. 506, 178 S.E.2d 352 (1971).

Application Where Ordinance Invalid. — Under the provisions of this statute, the regulations prescribed shall be uniform for each class or kind of building throughout each district, and the regulations of one district may

differ from those of the others, and can have no application to the question of the rights of the governmental body of the city refusing to issue a permit for a gasoline filling station, in denial of the right of an applicant for such license under an invalid ordinance. Bizzell v. Board of Aldermen, 192 N.C. 364, 135 S.E. 58 (1926).

Applied in Allgood v. Town of Tarboro, 281 N.C. 430, 189 S.E.2d 255 (1972).

Quoted in State v. Joyner, 286 N.C. 366, 211 S.E.2d 320 (1975).

§ 160A-383. Purposes in view. — Zoning regulations shall be made in accordance with a comprehensive plan and designed to lessen congestion in the streets; to secure safety from fire, panic and other dangers; to promote health and the general welfare; to provide adequate light and air; to prevent the overcrowding of land; to avoid undue concentration of population; and to facilitate the adequate provision of transportation, water, sewerage, schools, parks, and other public requirements. The regulations shall be made with reasonable consideration, among other things, as to the character of the district and its peculiar suitability for particular uses, and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout such city. (1923, c. 250, s. 3; C. S., s. 2776(t); 1971, c. 698, s. 1.)

Cross Reference. — See Editor's note to § 160A-381.

The concept of zoning implies a restriction upon the owner's right to use a specific tract for a use profitable to him but detrimental to the value of other properties in the area, thus promoting the most appropriate use of land throughout the municipality, considered as a whole. Blades v. City of Raleigh, 280 N.C. 531, 187 S.E.2d 35 (1972).

Section Sets Out Purposes of Comprehensive Zoning Ordinance. — The purposes for which a municipal corporation may adopt a comprehensive zoning ordinance are set forth in this section. Schloss v. Jamison, 262 N.C. 108, 136 S.E.2d 691 (1964).

A "comprehensive plan" is simply a plan which zones an entire town or city, as opposed to a limited portion thereof arbitrarily selected for zoning in a manner which is calculated to achieve the statutory purposes set forth in this section. Allred v. City of Raleigh, 7 N.C. App. 602, 173 S.E.2d 533 (1970), rev'd on other grounds, 277 N.C. 530, 178 S.E.2d 432 (1971).

While courts have differed with respect to the definition of a "comprehensive plan," the majority have held that no extrinsic written plan, such as a master plan based upon a comprehensive study, is required. Allred v. City of Raleigh, 7 N.C. App. 602, 173 S.E.2d 533 (1970), rev'd on other grounds, 277 N.C. 530, 178 S.E.2d 432 (1971).

A comprehensive zoning plan is a means by which the character of the community is to be preserved although devoting the land to its most appropriate uses. Allred v. City of Raleigh, 7 N.C. App. 602, 173 S.E.2d 533 (1970), rev'd on other grounds, 277 N.C. 530, 178 S.E.2d 432 (1971).

The ordinance itself may show that the zoning is comprehensive in nature. Allred v. City of Raleigh, 7 N.C. App. 602, 173 S.E.2d 533 (1970), rev'd on other grounds, 277 N.C. 530, 178 S.E.2d 432 (1971).

The matter of zoning is prospective because it in effect constitutes planning as to how a city or town will be developed in the future. Allred v. City of Raleigh, 7 N.C. App. 602, 173 S.E.2d 533 (1970), rev'd on other grounds, 277 N.C. 530, 178 S.E.2d 432 (1971).

City Legislative Body May Not Disregard Fundamental Concepts of Zoning. — Notwithstanding that the motivation of the members of a city legislative body may be laudable, any action of that body that disregards the fundamental concepts of zoning as set forth in the enabling legislation may be arbitrary and capricious. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

Authority to Rezone. — Unquestionably, a city's legislative body has authority to rezone property when reasonably necessary to do so in the interests of the public health, the public safety, the public morals or the public welfare. Ordinarily, the only limitation upon this legislative authority is that it may not be exercised arbitrarily or capriciously. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

Rezoning on Condition. — The rezoning of residential property to a business use on the condition that the land rezoned shall be devoted exclusively to the business use for which application to rezone was made, or otherwise remain residential, constitutes zoning without regard to the public health, safety and welfare, concern for which is basic to that comprehensiveness contemplated in the enabling act. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

Zoning Need Not Assure Most Profitable Use of Each Tract. — This section does not

contemplate that a zoning pattern must be, or should be, designed to permit each individual tract of land to be devoted to its own most profitable use, irrespective of the surrounding area. Blades v. City of Raleigh, 280 N.C. 531, 187 S.E.2d 35 (1972).

Spot zoning arises where a small area, usually a single lot or a few lots, surrounded by other property of similar nature, is placed arbitrarily in a different use zone from that to which the surrounding property is made subject. When such small area is subjected to a more burdensome restriction than that applicable to the surrounding property of like kind, the weight of authority is that the owner of the property so subjected to discriminatory regulation may successfully attack the validity of the ordinance. Zopfi v. City of Wilmington, 273 N.C. 430, 160 S.E.2d 325 (1968); Allred v. City of Raleigh, 7 N.C. App. 602, 173 S.E.2d 533 (1970), rev'd on other grounds, 277 N.C. 530, 178 S.E.2d 432 (1971).

The rule denying the validity of spot zoning ordinances has been applied where a small area previously in a residential zone has been removed, by an amending ordinance, from such zone and reclassified to permit business or commercial use over the objection of adjoining owners of residential property. Zopfi v. City of Wilmington, 273 N.C. 430, 160 S.E.2d 325 (1968); Allred v. City of Raleigh, 7 N.C. App. 602, 173 S.E.2d 533 (1970), rev'd on other grounds, 277 N.C. 530, 178 S.E.2d 432 (1971).

While the size of an area is seldom solely determinative of the question of whether an ordinance constitutes spot zoning, it is a factor that few courts are prone to overlook. Allred v. City of Raleigh, 7 N.C. App. 602, 173 S.E.2d 533 (1970), rev'd on other grounds, 277 N.C. 530, 178 S.E.2d 432 (1971).

A zoning ordinance, or amendment, which singles out and reclassifies a relatively small tract owned by a single person and surrounded by a much larger area uniformly zoned, so as to impose upon the small tract greater restrictions than those imposed upon the larger area, or so as to relieve the small tract from restrictions to which the rest of the area is subjected, is called "spot zoning." Blades v. City of Raleigh, 280 N.C. 531, 187 S.E.2d 35 (1972).

Spot zoning is beyond the authority of the municipality, in the absence of a clear showing of a reasonable basis for such distinction. Blades v. City of Raleigh, 280 N.C. 531, 187 S.E.2d 35 (1972).

Police Power Permits Restrictions upon Specific Tract. — The police power, upon which zoning ordinances must rest, permits restriction upon the right of the owner of a specific tract, when the legislative body has reasonable basis to believe that it will promote the general welfare by conserving the values of other properties and encouraging the most appropriate use thereof. Blades v. City of Raleigh, 280 N.C. 531, 187 S.E.2d 35 (1972).

Unlawful Spot Zoning. — An ordinance rezoning five acres of land from classification for single-family residences to a less restrictive classification constituted unlawful "spot zoning," where the rezoned property was surrounded by a very large area classified R-4 and extensively developed by the construction and occupancy of single-family residences, and the record discloses no reasonable basis for granting the owner of the tract freedom from restrictions imposed upon the owners of other properties in the surrounding area. Blades v. City of Raleigh, 280 N.C. 531, 187 S.E.2d 35 (1972).

Unlawful Contract Zoning. — A municipal ordinance rezoning a tract of land to a less restrictive R-6 classification constituted unlawful "contract zoning," where there was nothing in the record to indicate that the city council contemplated the opening of the tract to all uses permissible under the R-6 classification, and it is apparent that the city council's action was based on its approval of the applicant's plans to construct specifically described town houses on the property. Blades v. City of Raleigh, 280 N.C. 531, 187 S.E.2d 35 (1972).

In designing zoning regulations to prevent and relieve traffic congestion it is important that streets and thoroughfares planned for an area be considered as well as those in existence. Allred v. City of Raleigh, 7 N.C. App. 602, 173 S.E.2d 533 (1970), rev'd on other grounds, 277 N.C. 530, 178 S.E.2d 432 (1971).

Applied in Allgood v. Town of Tarboro, 281 N.C. 430, 189 S.E.2d 255 (1972).

§ 160A-384. Method of procedure. — The city council shall provide for the manner in which zoning regulations and restrictions and the boundaries of zoning districts shall be determined, established and enforced, and from time to time amended, supplemented or changed, in accordance with the provisions of this Article. (1923, c. 250, s. 4; C. S., s. 2776(u); 1927, c. 90; 1971, c. 698, s. 1.)

Cross Reference. — See Editor's note to § 160A-381.

Ordinance Is Presumed Valid. — When it is shown that a zoning ordinance has been adopted by the governing board of a municipality, there is a presumption in favor of the validity of the ordinance and the burden is upon the complaining property owner to show its

invalidity or inapplicability. Helms v. City of Charlotte, 255 N.C. 647, 122 S.E.2d 817 (1961).

There is a presumption that the city council adopts a zoning ordinance in the proper exercise of the police power. Schloss v. Jamison, 262 N.C. 108, 136 S.E.2d 691 (1964).

There is a presumption that a zoning ordinance, adopted pursuant to the prescribed procedures, is valid and the mere fact that it depreciates the value of the complainant's property is not enough to establish its invalidity. Zopfi v. City of Wilmington, 273 N.C. 430, 160 S.E.2d 325 (1968).

A duly adopted rezoning ordinance is presumed to be valid. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971); State v. Joyner, 286 N.C. 366, 211 S.E.2d 320 (1975).

Burden of Establishing Invalidity of Ordinance. — A property owner who asserts the invalidity of a zoning ordinance adopted in the proper exercise of the police power has the burden of establishing its invalidity. Schloss v. Jamison, 262 N.C. 108, 136 S.E.2d 691 (1964).

A municipal zoning ordinance will be presumed to be valid, and the burden is on the complaining party to show it to be invalid. Heaton v. City of Charlotte, 277 N.C. 506, 178 S.E.2d 352 (1971).

How a city or town shall be zoned or rezoned and how various properties shall be classified or reclassified rests with the municipal legislative body, and its judgment is presumed to be reasonable and valid and beyond judicial interference unless shown to be arbitrary, unreasonable or capricious. The burden of establishing such arbitrariness is on the one asserting it. Allred v. City of Raleigh, 7 N.C. App. 602, 173 S.E.2d 533 (1970), rev'd on other grounds, 277 N.C. 530, 178 S.E.2d 432 (1971).

The burden is on the complaining party to show that a duly adopted rezoning ordinance is invalid. State v. Joyner, 286 N.C. 366, 211 S.E.2d 320 (1975).

Validity of Ordinance Presents Questions of Fact. — Controversies in respect of facts pertinent to the validity of a rezoning ordinance present questions of fact for determination by the superior court judge. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

Court Will Not Substitute Its Judgment for Legislative Body's. — When the most that can be said against a zoning ordinance is that whether it was unreasonable, arbitrary or unequal exercise of power is fairly debatable, the courts will not interfere. In such circumstances the settled rule seems to be the court will not substitute its judgment for that of the legislative body charged with the primary duty and responsibility of determining whether its action is in the interest of the public health, safety, morals or general welfare. Helms v. City of Charlotte, 255 N.C. 647, 122 S.E.2d 817 (1961).

When the most that can be said against a zoning ordinance is that whether it was an unreasonable, arbitrary or unequal exercise of power is fairly debatable, the courts will not interfere. Under such circumstances the courts may not substitute their judgment for that of the legislative body of the municipality as to the wisdom of the legislation. Zopfi v. City of Wilmington, 273 N.C. 430, 160 S.E.2d 325 (1968).

The courts may not substitute their judgment for that of the legislative body concerning the wisdom of imposing restrictions upon the use of properties within that body's legislative jurisdiction. Blades v. City of Raleigh, 280 N.C. 531, 187 S.E.2d 35 (1972).

But City Legislative Body May Not Disregard Fundamental Concepts of Zoning. — Notwithstanding that the motivation of the members of a city legislative body may be laudable, any action of that body that disregards the fundamental concepts of zoning as set forth in the enabling legislation may be arbitrary and capricious. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

Permit for Nonconforming Use Does Not Prevent Enforcement. — The fact that a municipal official issues a permit for a nonconforming use after the enactment of a zoning ordinance does not estop the municipality from enforcing the ordinance. Helms v. City of Charlotte, 255 N.C. 647, 122 S.E.2d 817 (1961).

Court May Inquire into Procedure and Reasonableness of Zoning. — The courts may inquire into procedures followed by a city legislative body at a hearing before it and determine whether a zoning ordinance was adopted in violation of required procedures, or is arbitrary and without reasonable basis in view of the established circumstances. Blades v. City of Raleigh, 280 N.C. 531, 187 S.E.2d 35 (1972).

Rezoning. — Unquestionably, a city's legislative body has authority to rezone property when reasonably necessary to do so in the interests of the public health, the public safety, the public morals or the public welfare. Ordinarily, the only limitation upon this legislative authority is that it may not be exercised arbitrarily or capriciously. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

A city may, from time to time, amend its zoning ordinance so as to transfer an area from one use district into another, since the enactment of a zoning ordinance is not a contract by the city with property owners to maintain the zoning pattern thereby established. Blades v. City of Raleigh, 280 N.C. 531, 187 S.E.2d 35 (1972).

Safeguards against arbitrary action by zoning boards in granting or denying special use permits are not only to be found in specific guidelines for their action. Equally important is the requirement that in each instance the board (1) follow the procedures specified in the

ordinance; (2) conduct its hearings in accordance with fair-trial standards; (3) base its findings of fact only upon competent, material, and substantial evidence; and (4) in allowing or denying the application, it state the basic facts on which it relied with sufficient specificity to inform the parties, as well as the court, what induced its decision. Humble Oil & Ref. Co. v. Board of Aldermen, 284 N.C. 458, 202 S.E.2d 129 (1974).

Notice and an opportunity to be heard are prerequisite to the validity of a modification of municipal zoning regulations, but notice published in a newspaper of general circulation in the municipality and county advising that changes in the zoning of described property and proposed change in the zoning ordinance of the municipality would be discussed, and inviting all persons interested in the proposed changes to be present is sufficient to sustain a finding that notice of both change in the zoning regulations and in zone lines had been given. Walker v. Town of Elkin, 254 N.C. 85, 118 S.E.2d 1 (1961).

The fact that the complainants did not see a notice given by advertisement in a local newspaper cannot affect the validity of the ordinance when everything required by the statute was done before its adoption. It is a matter of almost daily occurrence that rights are affected and the status of relationships is changed upon the giving of similar notice, but no one may successfully contend that acts predicated upon such notice are rendered invalid because persons affected did not see the notice in the newspaper. Helms v. City of Charlotte, 255 N.C. 647, 122 S.E.2d 817 (1961).

Applied in Allgood v. Town of Tarboro, 281 N.C. 430, 189 S.E.2d 255 (1972).

§ 160A-385. Changes. — Zoning regulations and restrictions and zone boundaries may from time to time be amended, supplemented, changed, modified or repealed. In case, however, of a protest against such change, signed by the owners of twenty percent (20%) or more either of the area of the lots included in a proposed change, or of those immediately adjacent thereto either in the rear thereof or on either side thereof, extending 100 feet therefrom, or of those directly opposite thereto extending 100 feet from the street frontage of the opposite lots, an amendment shall not become effective except by favorable vote of three fourths of all the members of the city council. (1923, c. 250, s. 5; C. S., s. 2776(v); 1959, c. 434, s. 1; 1965, c. 864, s. 1; 1971, c. 698, s. 1.)

Cross Reference. — See Editor's note to § 160A-381.

This section prevails over a municipal ordinance providing that a change in zoning regulations could be approved by a majority of the city commissioners. Eldridge v. Mangum, 216 N.C. 532, 5 S.E.2d 721 (1939).

The enactment of a zoning ordinance is not a contract with property owners of the city and confers upon them no vested right to have the ordinance remain forever in force or to demand that the boundaries of each zone or the uses to be made of property in each zone remain as declared in the original ordinance. Such legislation by the city may be repealed in its entirety, or amended as the city's legislative body determines from time to time to be in the best interests of the public, subject only to the limitations of the enabling statute and the limitations of the Constitution. Zopfi v. City of Wilmington, 273 N.C. 430, 160 S.E.2d 325 (1968).

A comprehensive zoning ordinance does not constitute a contract between a municipality and property owners which precludes the municipality from changing the boundaries if at a later date it deems a change to be desirable. Allgood v. Town of Tarboro, 281 N.C. 430, 189 S.E.2d 255 (1972).

A comprehensive zoning ordinance does not vest in any property owner the right that the restrictions imposed by it upon his property or the property of others should remain unaltered. Allgood v. Town of Tarboro, 281 N.C. 430, 189 S.E.2d 255 (1972).

A city may, from time to time, amend its zoning ordinance so as to transfer an area from one use district into another, since the enactment of a zoning ordinance is not a contract by the city with property owners to maintain the zoning pattern thereby established. Blades v. City of Raleigh, 280 N.C. 531, 187 S.E.2d 35 (1972).

A city's legislative body has authority to rezone property when reasonably necessary to do so in the interests of the public health, the public safety, the public morals or the public welfare. Ordinarily, the only limitation upon this legislative authority is that it may not be exercised arbitrarily or capriciously. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

Zoning regulations may be amended or changed when the action is authorized by the enabling statute and does not contravene constitutional limitations on the zoning power. Allgood v. Town of Tarboro, 281 N.C. 430, 189 S.E.2d 255 (1972).

But Power Is Subject to Limitations. — A municipality's authority to enact and amend zoning ordinances is subject to the limitations imposed by the enabling statute and by the

Constitution. These limitations forbid arbitrary and unduly discriminating interference with property rights in the exercise of such power. Thus, a zoning ordinance or an amendment thereto which is not adopted in accordance with the enabling statute is invalid and ineffective. Keiger v. Winston-Salem Bd. of Adjustment, 281 N.C. 715, 190 S.E.2d 175 (1972).

Zoning regulations may be amended or changed but constitutional limitations forbid arbitrary and unduly discriminatory interference with property rights in the exercise of such power. Allgood v. Town of Tarboro, 281 N.C. 430, 189 S.E.2d 255 (1972).

Amendment Need Not Accomplish All Purposes Specified in Enabling Act. — It is not required that an amendment to a zoning ordinance accomplish or contribute specifically to the accomplishment of all of the purposes specified in the enabling act. It is sufficient that the legislative body of the city had reasonable ground upon which to conclude that one or more of those purposes would be accomplished or aided by the amending ordinance. Zopfi v. City of Wilmington, 273 N.C. 430, 160 S.E.2d 325 (1968).

But Tract Must Be Suitable for All Uses Permitted under New Classification. — The zoning of a tract of land may be changed from the residential classification to a less restrictive residential classification only if and when its location and the surrounding circumstances are such that the property should be made available for all uses permitted in the less restrictive district. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

City Legislative Body May Not Disregard Fundamental Concepts of Zoning. — Notwithstanding that the motivation of the members of a city legislative body may be laudable, any action of that body that disregards the fundamental concepts of zoning as set forth in the enabling legislation may be arbitrary and capricious. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

Determining Validity of Amending Ordinance. — The basic rule to determine the validity of an amending ordinance is the same rule used to determine the validity of the original ordinance. The legislative body must act in good faith. It cannot act arbitrarily or capriciously. If the conditions existing at the time of the proposed change are such as would have originally justified the proposed action, the legislative body has the power to act. Allred v. City of Raleigh, 7 N.C. App. 602, 173 S.E.2d 533 (1970), rev'd on other grounds, 277 N.C. 530, 178 S.E.2d 432 (1971).

Inquiry Is Whether Amendment Is Beyond Legislative Power of City. — The relevant inquiry is always whether the amending ordinance is beyond the legislative power of the city. If it is not, the area rezoned becomes a legitimate part of the original comprehensive zoning plan of the city. Allred v. City of Raleigh, 7 N.C. App. 602, 173 S.E.2d 533 (1970), rev'd on other grounds, 277 N.C. 530, 178 S.E.2d 432 (1971).

If It Is, Proposed Use Remains Unlawful. — If the amending ordinance is beyond the legislative power of the city, whether for the reason that it constitutes spot zoning or on some other ground, its adoption does not remove the designated area from the effect of the comprehensive zoning ordinance previously enacted. In that event, the proposed use remains unlawful, and the right of owners of adjoining property to enjoin such use is not affected by the amending ordinance. Zopfi v. City of Wilmington, 273 N.C. 430, 160 S.E.2d 325 (1968).

Burden on Complaining Party. — An amendment to a municipal zoning ordinance is presumed to be valid and the burden is on the complaining party to show its invalidity. Allgood v. Town of Tarboro, 281 N.C. 430, 189 S.E.2d 255 (1972).

Permit May Not Be Denied under Invalid Amendment. — An applicant's right to a permit, denied under an existing valid ordinance which entitled him to it, may not be defeated by a purported amendment which was void ab initio because it was not adopted as required by the enabling statute. Keiger v. Winston-Salem Bd. of Adjustment, 281 N.C. 715, 190 S.E.2d 175 (1972).

Vested Rights under Building Permit. — The issuance of a building permit to which the permittee is entitled under the existing ordinance creates no vested right to build contrary to the provisions of a subsequently enacted zoning ordinance, unless the permittee, acting in good faith, has made substantial expenditures in reliance upon the permit at a time when they did not violate declared public policy. Keiger v. Winston-Salem Bd. of Adjustment, 281 N.C. 715, 190 S.E.2d 175 (1972).

When, at the time a builder obtains a permit, he has knowledge of a pending ordinance which would make the authorized construction a nonconforming use and thereafter hurriedly makes expenditures in an attempt to acquire a vested right before the law can be changed, he does not act in good faith and acquires no rights under the permit. Keiger v. Winston-Salem Bd. of Adjustment, 281 N.C. 715, 190 S.E.2d 175 (1972).

Controversies in respect of facts pertinent to the validity of a rezoning ordinance present questions of fact for determination by the superior court judge. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

Rezoning on consideration of assurances that a particular tract or parcel will be developed in accordance with restricted approved plans is not a permissible ground for placing the property in a zone where restrictions of the

nature prescribed are not otherwise required or contemplated. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

Rezoning must be effected by the exercise of legislative power rather than by special arrangements with the owner of a particular tract or parcel of land. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

The rezoning of residential property to a business use on condition that the land rezoned shall be devoted exclusively to the business use for which application to rezone was made, or otherwise remain residential, constitutes zoning without regard to the public health, safety and welfare, concern for which is basic to that comprehensiveness contemplated in the enabling act. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

Persons Entitled to Invoke Protest Provisions. — In order for plaintiffs to invoke the provisions of this section they must own 20 percent or more of the area extending 100 feet from the rezoned tract. Heaton v. City of Charlotte, 277 N.C. 506, 178 S.E.2d 352 (1971).

The protest provision of this section extends to the owners of 20 percent or more of each of the areas of the lots on either side of, and extending 100 feet from any area included in proposed changes or amendments of municipal zoning ordinances. Heaton v. City of Charlotte, 277 N.C. 506, 178 S.E.2d 352 (1971).

The owners of lots immediately outside of, (within 100 feet) or adjoining the boundary line of the property to be altered are the parties most directly affected by the alteration and therefore, most logically are the owners "of the area of the lots" intended by the legislature to qualify as protestants. Heaton v. City of Charlotte, 277 N.C. 506, 178 S.E.2d 352 (1971).

Creation of Buffer Zone to Avoid Necessity of Larger Than Majority Vote. — Where an applicant for a zoning change seeks to avoid the necessity of a larger than majority vote by creating a buffer zone of 100 feet between that portion of his property sought to be rezoned and the lands of adjacent property owners, such action is valid and avoids the requirement of such larger vote. Heaton v. City of Charlotte, 277 N.C. 506, 178 S.E.2d 352 (1971).

"Directly opposite" means those tracts of land on opposite sides of the street with only the street intervening. Heaton v. City of Charlotte, 277 N.C. 506, 178 S.E.2d 352 (1971).

Where a zoning ordinance, passed by a majority vote of the city council, rezoned applicant's property lying more than 150 feet from the street, but left the zoning regulations unchanged as to applicant's property abutting the street to a depth of 150 feet therefrom, and owners of more than 20 percent of the footage on the opposite side of the street from applicant's property had protested the change, the property of those protesting did not lie "directly opposite" the property rezoned within the purview of this section, and therefore it was not required that the zoning ordinance be passed by three fourths of the members of the city council. Penny v. City of Durham, 249 N.C. 596, 107 S.E.2d 72 (1959).

"Immediately Adjacent". — The words "immediately adjacent" mean "adjoining" or "abutting." This interpretation creates an area easily determinable which lends itself to definite calculations of the percentage required to invoke the provisions of the statute. Heaton v. City of Charlotte, 277 N.C. 506, 178 S.E.2d 352 (1971).

"Lot". — The context of this section indicates that the word "lot" has its common and ordinary meaning. Heaton v. City of Charlotte, 277 N.C. 506, 178 S.E.2d 352 (1971).

Notice and Public Hearing Required. — The general rule as applied to former Article 14 of Chapter 160 was that there had to be compliance with the statutory requirements of notice and public hearing in order to adopt or amend zoning ordinances. Heaton v. City of Charlotte, 277 N.C. 506, 178 S.E.2d 352 (1971).

No further notice or hearing is required after a properly advertised and properly conducted public hearing when the alteration of the initial proposal is insubstantial. Heaton v. City of Charlotte, 277 N.C. 506, 178 S.E.2d 352 (1971).

Unless Alterations from Original Proposal Are Substantial. — If the ordinance or amendment as finally adopted contains alterations substantially different (amounting to a new proposal) from those originally advertised and heard, there must be additional notice and opportunity for additional hearing. Heaton v. City of Charlotte, 277 N.C. 506, 178 S.E.2d 352 (1971).

And Initial Notice Was Not Broad Enough to Indicate Them. — Additional notice and public hearing ordinarily will not be required when the initial notice is broad enough to indicate the possibility of substantial change and substantial changes are made of the same fundamental character as contained in the notice, such changes resulting from objections, debate, and discussion at the properly noticed initial hearing. Heaton v. City of Charlotte, 277 N.C. 506, 178 S.E.2d 352 (1971).

Alterations Favorable to Complainants Are Not Substantial. — Alteration of the initial proposal will not be deemed substantial when it results in changes favorable to the complaining parties. Heaton v. City of Charlotte, 277 N.C. 506, 178 S.E.2d 352 (1971).

§ 160A-386. Protest petition; form; requirements; time for filing. — No protest against any change in or amendment to a zoning ordinance or zoning map shall be valid or effective for the purposes of G.S. 160A-385 unless it be in the form of a written petition actually bearing the signatures of the requisite number of property owners and stating that the signers do protest the proposed change or amendment, and unless it shall have been received by the city clerk in sufficient time to allow the city at least two normal work days, excluding Saturdays, Sundays and legal holidays, before the date established for a public hearing on the proposed change or amendment to determine the sufficiency and accuracy of the petition. The city council may by ordinance require that all protest petitions be on a form prescribed and furnished by the city, and such form may prescribe any reasonable information deemed necessary to permit the city to determine the sufficiency and accuracy of the petition. (1963, c. 1058, s. 2; 1971, c. 698, s. 1.)

§ 160A-387. Planning agency; zoning plan; certification to city council. — In order to exercise the powers conferred by this Part, a city council shall create or designate a planning agency under the provisions of this Article or of a special act of the General Assembly. The planning agency shall prepare a zoning plan, including both the full text of a zoning ordinance and maps showing proposed district boundaries. The planning agency may hold public hearings in the course of preparing the plan. Upon completion, the planning agency shall certify the plan to the city council. The city council shall not hold its required public hearing or take action until it has received a certified plan from the planning agency. Following its required public hearing, the city council may refer the plan back to the planning agency for any further recommendations that the agency may wish to make prior to final action by the city council in adopting, modifying and adopting, or rejecting the ordinance. (1923, c. 250, s. 6; C. S., s. 2776(w); 1967, c. 1208, s. 2; 1971, c. 698, s. 1; 1973, c. 426, s. 60.)

Cross Reference. — See Editor's note to § 160A-381.

A municipal planning and zoning commission has no legislative, judicial or quasi-judicial power, and the city council acts in the exercise of its legislative function in determining whether the commission's recommendations in regard to the enactment of zoning ordinances should be followed. In re Markham, 259 N.C. 566, 131 S.E.2d 329, cert. denied, 375 U.S. 931, 84 S. Ct. 332, 11 L. Ed. 2d 263 (1963).

The planning board (zoning commission) has no legislative, judicial or quasi-judicial power. Its recommendations do not restrict or otherwise affect the legislative power of the city council. Allred v. City of Raleigh, 277 N.C. 530, 178 S.E.2d 432 (1971).

§ 160A-388. Board of adjustment. — (a) The city council may provide for the appointment and compensation of a board of adjustment consisting of five members, each to be appointed for three years. In appointing the original members of such board, or in the filling of vacancies caused by the expiration of the terms of existing members, the council may appoint certain members for less than three years to the end that thereafter the terms of all members shall not expire at the same time. The council may, in its discretion, appoint and provide compensation for alternate members to serve on the board in the absence of any regular member. Alternate members shall be appointed for the same term, at the same time, and in the same manner as regular members. Each alternate member, while attending any regular or special meeting of the board and serving in the absence of any regular member, shall have and may exercise all the powers and duties of a regular member.

(b) The board of adjustment shall hear and decide appeals from and review any order, requirement, decision, or determination made by an administrative official charged with the enforcement of any ordinance adopted pursuant to this Part. An appeal may be taken by any person aggrieved or by an officer,

department, board, or bureau of the city. Appeals shall be taken within times prescribed by the board of adjustment by general rule, by filing with the officer from whom the appeal is taken and with the board of adjustment a notice of appeal, specifying the grounds thereof. The officer from whom the appeal is taken shall forthwith transmit to the board all the papers constituting the record upon which the action appealed from was taken. An appeal stays all proceedings in furtherance of the action appealed from, unless the officer from whom the appeal is taken certifies to the board of adjustment, after notice of appeal has been filed with him, that because of facts stated in the certificate a stay would, in his opinion, cause imminent peril to life or property. In that case proceedings shall not be stayed except by a restraining order, which may be granted by the board of adjustment or by a court of record on application, on notice to the officer from whom the appeal is taken and on due cause shown. The board of adjustment shall fix a reasonable time for the hearing of the appeal, give due notice thereof to the parties, and decide it within a reasonable time. The board of adjustment may reverse or affirm, wholly or partly, or may modify the order, requirement, decision, or determination appealed from, and shall make any order, requirement, decision, or determination that in its opinion ought to be made in the premises. To this end the board shall have all the powers of the officer from whom the appeal is taken.

(c) The zoning ordinance may provide that the board of adjustment may permit special exceptions to the zoning regulations in classes of cases or situations and in accordance with the principles, conditions, safeguards, and procedures specified in the ordinance. The ordinance may also authorize the board to interpret zoning maps and pass upon disputed questions of lot lines or district boundary lines and similar questions as they arise in the administration of the ordinance. The board shall hear and decide all matters referred to it or upon which it is required to pass under any zoning ordinance.

(d) When practical difficulties or unnecessary hardships would result from carrying out the strict letter of a zoning ordinance, the board of adjustment shall have the power, in passing upon appeals, to vary or modify any of the regulations or provisions of the ordinance relating to the use, construction or alteration of buildings or structures or the use of land, so that the spirit of the ordinance shall be observed, public safety and welfare secured, and substantial justice done.

(e) The concurring vote of four fifths of the members of the board shall be necessary to reverse any order, requirement, decision, or determination of any administrative official charged with the enforcement of an ordinance adopted pursuant to this Article, or to decide in favor of the applicant any matter upon which it is required to pass under any ordinance, or to grant a variance from the provisions of the ordinance. Every decision of the board shall be subject to review by the superior court by proceedings in the nature of certiorari.

(f) The chairman of the board of adjustment or any member temporarily acting as chairman, is authorized in his official capacity to administer oaths to witnesses in any matter coming before the board. (1923, c. 250, s. 7; C. S., s. 2776(x); 1929, c. 94, s. 1; 1947, c. 311; 1949, c. 979, ss. 1, 2; 1963, c. 1058, s. 3; 1965, c. 864, s. 2; 1967, c. 197, s. 1; 1971, c. 698, s. 1.)

Cross Reference. — See Editor's note to § 160A-381.

Editor's Note. — For article on power of zoning board of adjustment to grant variances from zoning ordinance, see 29 N.C.L. Rev. 245.

Purpose of Section. — The plain intent and purpose of former § 160-178 was to permit, through the board of adjustment, the amelioration of the rigors of necessarily general zoning regulations by eliminating the necessity for a slavish adherence to the precise letter of the regulations where, in a given case, little or no good on the one side and undue hardship on the other would result from a literal enforcement. Lee v. Board of Adjustment, 226 N.C. 107, 37 S.E.2d 128 (1946).

Similarily of Provisions. — The language of former § 160-172 granting cities and towns the

power to regulate by zoning, and former § 153-266.10 granting the same power to boards of commissioners of counties, were almost identical in phraseology, as were former § 160-178, providing for a board of adjustment under a city ordinance and former § 153-266.17, providing for a board of adjustment under a county ordinance. Jackson v. Guilford County Bd. of Adjustment, 2 N.C. App. 408, 163 S.E.2d 265 (1968).

"Unnecessary hardship" does not mean a pecuniary loss to a single owner in being denied a building permit for a nonconforming structure pursuant to zoning regulations binding upon all alike. Lee v. Board of Adjustment, 226 N.C. 107, 37 S.E.2d 128 (1946).

The general administrative agencies review statutes are applicable to municipal agencies such as zoning boards. Humble Oil & Ref. Co. v. Board of Aldermen, 284 N.C. 458, 202 S.E.2d 129 (1974).

Section Grants No Legislative Power. — Former §§ 160-172 and 160-178 did not grant to board of adjustment legislative authority, and therefore, board was without power to amend an ordinance under which it functions. Lee v. Board of Adjustment, 226 N.C. 107, 37 S.E.2d 128 (1946).

The board is not a law-making body and has no power to amend the zoning ordinance either to permit the construction of a building prohibited by ordinance or to prohibit the construction of one permitted by ordinance. In re Rea Constr. Co., 272 N.C. 715, 158 S.E.2d 887 (1968).

Nature of Power. — The board of adjustment is clothed, if not with judicial, at least with quasi-judicial power; it being its duty to investigate facts and from its investigation to draw conclusions as a basis of official action and to exercise discretion of a judicial nature. These are not mere ministerial duties. Harden v. City of Raleigh, 192 N.C. 395, 135 S.E. 151 (1926); Jackson v. Guilford County Bd. of Adjustment, 2 N.C. App. 408, 163 S.E.2d 265 (1968).

A board of adjustment is also an administrative agency which acts in a quasi-judicial capacity. In re Rea Constr. Co., 272 N.C. 715, 158 S.E.2d 887 (1968); Jackson v. Guilford County Bd. of Adjustment, 2 N.C. App. 408, 163 S.E.2d 265 (1968).

Within the class of quasi-judicial acts fall the board's conclusions as to whether the proposed building would be noxious or offensive or detrimental to the public safety or welfare by reason of its situation or the surrounding conditions; also in this class is the legal discretion to be exercised by the board upon the conclusions reached. Harden v. City of Raleigh, 192 N.C. 395, 135 S.E. 151 (1926); Jackson v. Guilford County Bd. of Adjustment, 2 N.C. App. 408, 163 S.E.2d 265 (1968).

The legislature may delegate to the board of adjustment, as a quasi-judicial body, the authority to determine facts and therefrom to draw conclusions as a basis of its official action. Jackson v. Guilford County Bd. of Adjustment, 2 N.C. App. 408, 163 S.E.2d 265 (1968).

The planning and zoning commission is separate and distinct from the board of adjustment. The board of adjustment is clothed, if not with judicial, at least with quasi-judicial power, it being its duty to investigate facts and from its investigation to draw conclusions as a basis of official action and to exercise discretion of a judicial nature. Even so, it is not a law-making body and may not disregard zoning regulations adopted by the legislative body, to wit, the city council. It can merely vary them to prevent injustice when the strict letter of the provisions would work unnecessary hardship. In re Markham, 259 N.C. 566, 131 S.E.2d 329, cert. denied, 375 U.S. 931, 84 S. Ct. 332, 11 L. Ed. 2d 263 (1963).

Ordinances in Conflict with Section Are Void. — Municipal ordinances prescribing procedure for the enforcement of zoning regulations in conflict with those prescribed by former § 160-178 were void, since that section contemplated that enforcement procedure shall be uniform. Mitchell v. Barfield, 232 N.C. 325, 59 S.E.2d 810 (1950).

Unlawful Delegation of Legislative Power. — It would constitute an unlawful delegation of the legislative power vested by the General Assembly in a board of aldermen to allow the board of adjustment to deny a special permit on the ground that the board of adjustment did not consider a use specified in the ordinance as a conditional permissible use to be in accord with the "purpose and intent" of the ordinance. Keiger v. Winston-Salem Bd. of Adjustment, 278 N.C. 17, 178 S.E.2d 616 (1971).

The legislative body of the municipal corporation may not delegate to the municipal board of adjustment the power to zone. Keiger v. Winston-Salem Bd. of Adjustment, 278 N.C. 17, 178 S.E.2d 616 (1971).

Unlawful Exercise of Legislative Power. — There is no substantial difference between the denial of a permit on the ground the conditional use is adverse to the public interest and the denial thereof on the ground the conditional use is not in accord with the "purpose and intent" of the ordinance; so, the denial of an application on this ground constituted an unlawful exercise of legislative power by the board of adjustment in violation of the Constitution. Keiger v. Winston-Salem Bd. of Adjustment, 278 N.C. 17, 178 S.E.2d 616 (1971).

Issuance of Special Permit Is Not Unlawful Exercise of Power. — Where a municipal ordinance required the board of adjustment to issue a special use permit when it made certain affirmative findings specified in the ordinance,

the board's determination of whether to issue a special use permit was not an unlawful exercise of legislative power. Kenan v. Board of Adjustment, 13 N.C. App. 688, 187 S.E.2d 496 (1972).

Safeguards against arbitrary action by zoning boards in granting or denying special use permits are not only to be found in specific guidelines for their action. Equally important is the requirement that in each instance the board (1) follow the procedures specified in the ordinance; (2) conduct its hearings in accordance with fair-trial standards; (3) base its findings of fact only upon competent, material, and substantial evidence; and (4) in allowing or denying the application, it state the basic facts on which it relied with sufficient specificity to inform the parties, as well as the court, what induced its decision. Humble Oil & Ref. Co. v. Board of Aldermen, 284 N.C. 458, 202 S.E.2d 129 (1974).

Board Cannot Permit Nonconforming Use or Structure. — Board of adjustment cannot permit type of business or building prohibited by zoning ordinance, for to do so would be an amendment of law and not a variance of its regulations. Lee v. Board of Adjustment, 226 N.C. 107, 37 S.E.2d 128 (1946).

But Can Merely "Vary" Regulations. — The board of adjustment cannot disregard the provisions of the enabling act or regulations enacted in accordance with zoning law but can merely "vary" them to prevent injustice when the strict letter of the provisions would work "unnecessary hardship." Lee v. Board of Adjustment, 226 N.C. 107, 37 S.E.2d 128 (1946).

The principal function of a board of adjustment is to issue variance permits so as to prevent injustice by a strict application of the ordinance. In re Rea Constr. Co., 272 N.C. 715, 158 S.E.2d 887 (1968).

A "special exception" within the meaning of a zoning ordinance is one which is expressly permitted in a given zone upon proof that certain facts and conditions detailed in the ordinance exist. It is granted by the board of adjustment, after a public hearing, upon a finding that the specified conditions have been satisfied. Keiger v. Winston-Salem Bd. of Adjustment, 278 N.C. 17, 178 S.E.2d 616 (1971).

Exercise of Discretion. — In exercising its discretion, the board of adjustment must abide by the rules provided by its charter — the local ordinance enacted in accord with and by permission of the State zoning law. Jackson v. Guilford County Bd. of Adjustment, 2 N.C. App. 408, 163 S.E.2d 265 (1968).

A special permit is not a legal right but is a concession in exceptional cases which the board, in the exercise of its discretion, may grant, subject to court review. Craver v. Zoning Bd. of Adjustment, 267 N.C. 40, 147 S.E.2d 599 (1966).

Board's Findings May Not Be Based on Unsworn Statements. — Absent stipulations or waiver, a board of adjustment may not base critical findings of fact as to the existence or nonexistence of a nonconforming use on unsworn statements. Jarrell v. Board of Adjustment, 258 N.C. 476, 128 S.E.2d 879 (1963).

Where one asserts a legal right to a nonconforming use, whether he has such legal right depends upon factual findings, and in the determination of such factual findings unsworn statements may not be considered either competent or substantial. Jarrell v. Board of Adjustment, 258 N.C. 476, 128 S.E.2d 879 (1963).

Waiver of Right to Insist That Witnesses Be under Oath. — By voluntary participation in a hearing, a party may waive the right to insist that the witnesses should be under oath. Craver v. Zoning Bd. of Adjustment, 267 N.C. 40, 147 S.E.2d 599 (1966).

Where Action of Board Does Not Constitute Res Judicata upon Second Application. — The approval by the board of adjustment of a denial of a permit to erect a filling station on certain land does not constitute res judicata upon a second application made therefor three years after the first application upon substantial change of the traffic conditions. In re Broughton's Estate, 210 N.C. 62, 185 S.E. 434 (1936).

Who May Appeal from Order. — Any owner whose property is affected has the right to apply to the courts for review of an order of a municipal board of adjustment. Lee v. Board of Adjustment, 226 N.C. 107, 37 S.E.2d 128 (1946).

Optionee. — Since an optionee has no present right to erect a building on the land, the withholding of a building permit from him cannot in law impose an "undue and unnecessary hardship" upon him as a predicate for relief from an order of a municipal board of adjustment. Lee v. Board of Adjustment, 226 N.C. 107, 37 S.E.2d 128 (1946).

A legal proceeding must be prosecuted by a legal person, whether it be a natural person, sui juris, or a group of individuals or other entity having the capacity to sue and be sued, such as a corporation, partnership, unincorporated association, or governmental body or agency. In re Coleman, 11 N.C. App. 124, 180 S.E.2d 439 (1971).

And Not by Aggregation of Anonymous Individuals. — A legal proceeding prosecuted by an aggregation of anonymous individuals, known only to their counsel, is a phenomenon unknown to the law of this jurisdiction. In re Coleman, 11 N.C. App. 124, 180 S.E.2d 439 (1971).

Even a class action must be prosecuted or defended by one or more named members of the class. In re Coleman, 11 N.C. App. 124, 180 S.E.2d 439 (1971).

Adequacy of Scope of Review. — While there is express provision for a review "by proceedings in the nature of certiorari," this is an "adequate procedure for judicial review" (within the meaning of former § 143-307) only if the scope of review is equal to that under former § 143-306 et seq. Jarrell v. Board of Adjustment, 258 N.C. 476, 128 S.E.2d 879 (1963).

The scope of review must be equal to that provided by former § 143-306 et seq. In re Coleman, 11 N.C. App. 124, 180 S.E.2d 439 (1971).

Extent of Review. — Quasi-judicial functions, when exercised, not arbitrarily, but in subordination to a uniform rule prescribed by statute, ordinarily are not subject to judicial control. It is only in extreme cases, those which are arbitrary, oppressive, or attended with manifest abuse, that the courts will interfere. In Rosenthal v. City of Goldsboro, 149 N.C. 128, 62 S.E. 905 (1908), it is said: "It may now be considered as established with us, that our courts will always be most reluctant to interfere with these municipal governments in the exercise of discretionary powers, conferred upon them for the public weal, and will never do so unless their action should be so clearly unreasonable as to amount to an oppressive and manifest abuse of their discretion. This position is, we think, supported by the better reason, and is in accord with the decided weight of authority." Harden v. City of Raleigh, 192 N.C. 395, 135 S.E. 151 (1926).

The decisions of the board of adjustment are final, subject to the right of the courts to review errors in law and to give relief against its orders which are arbitrary, oppressive, or attended with manifest abuse of authority. Lee v. Board of Adjustment, 226 N.C. 107, 37 S.E.2d 128 (1946); County of Durham v. Addison, 262 N.C. 280, 136 S.E.2d 600 (1964).

Review of Questions of Fact. — The writ of certiorari is a writ to bring the matter before the court, upon the evidence presented by the record itself, for review of alleged errors of law. It does not lie to review questions of fact to be determined by evidence outside the record. In re Pine Hill Cemeteries, 219 N.C. 735, 15 S.E.2d 1 (1941). See Lee v. Board of Adjustment, 226 N.C. 107, 37 S.E.2d 128 (1946); Jarrell v. Board of Adjustment, 258 N.C. 476, 128 S.E.2d 879 (1963).

Determination of questions of fact by the board of adjustment will not be disturbed when its findings are supported by evidence and are made in good faith. In re Hasting, 252 N.C. 327, 113 S.E.2d 433 (1960).

Applied in Quadrant Corp. v. City of Kinston, 22 N.C. App. 31, 205 S.E.2d 324 (1974).

§ 160A-389. Remedies. — If a building or structure is erected, constructed, reconstructed, altered, repaired, converted, or maintained, or any building, structure or land is used in violation of this Part or of any ordinance or other regulation made under authority conferred thereby, the city, in addition to other remedies, may institute any appropriate action or proceedings to prevent the unlawful erection, construction, reconstruction, alteration, repair, conversion, maintenance or use, to restrain, correct or abate the violation, to prevent occupancy of the building, structure or land, or to prevent any illegal act, conduct, business or use in or about the premises. (1923, c. 250, s. 8; C. S., s. 2776(y); 1971, c. 698, s. 1.)

Cross Reference. — See Editor's note to § 160A-381.

Editor's Note. — See 13 N.C.L. Rev. 235.

Use of Injunction Authorized. — Former § 160-179 expressly authorized the use of the injunctive power of the court to enjoin violations of zoning ordinances. City of Raleigh v. Morand, 247 N.C. 363, 100 S.E.2d 870 (1957); City of New Bern v. Walker, 255 N.C. 355, 121 S.E.2d 544 (1961).

Expanding Ordinary Equity Jurisdiction. — Former § 160-179 conferred jurisdiction beyond the scope of the ordinary equity jurisdiction in enjoining the creation of a nuisance and provided a statutory injunction to prevent the violation of municipal ordinances enacted in the exercise of the police power. City of Fayetteville v. Spur Distrib. Co., 216 N.C. 596, 5 S.E.2d 838 (1939). For note on this case, see 18 N.C.L. Rev. 255.

Former § 160-179 enlarged the scope of the ordinary equity jurisdiction and provided a statutory injunction to be applied to acts and conditions ordinarily considered as being beyond equity interference. City of New Bern v. Walker, 255 N.C. 355, 121 S.E.2d 544 (1961).

Section Applies Only to Regulations Promulgated under Part. — The equitable remedy of injunction authorized applies only to the enforcement of zoning regulations promulgated under the enabling act. Town of Clinton v. Ross, 226 N.C. 682, 40 S.E.2d 593 (1946).

In enacting and enforcing zoning regulations, a municipality acts as a governmental agency and exercises the police power of the State. Town of Hillsborough v. Smith, 10 N.C. App. 70, 178 S.E.2d 18 (1970).

And Does Not Waive Immunity by Action under This Section. — Former § 160-179

authorized a municipality to institute an action to restrain a violation of its governmental immunity. A municipality does not waive that immunity by the mere act of instituting a civil action. Town of Hillsborough v. Smith, 10 N.C. App. 70, 178 S.E.2d 18 (1970).

Prior Nonconforming Use. — An ordinance prohibiting the operation of tobacco sales warehouses in certain sections of a municipality cannot be enforced by injunction as to a warehouse in operation prior to the adoption of zoning regulations by the municipality even if the ordinance be deemed a part of the later adopted zoning regulations where zoning ordinance expressly excludes from its operation nonconforming uses existing prior to its adoption. Town of Clinton v. Ross, 226 N.C. 682, 40 S.E.2d 593 (1946).

A municipal corporation was held not to be estopped from enforcing a valid zoning regulation by obtaining an injunction under this section because of the conduct of its officials in permitting or even encouraging its violation by issuing a permit for a permissive use with knowledge that the owner intended to use it for a prohibited purpose or by acquiescing in such unlawful use over a period of years. City of Raleigh v. Fisher, 232 N.C. 629, 61 S.E.2d 897 (1950).

§ 160A-390. Conflict with other laws. — When regulations made under authority of this Part require a greater width or size of yards or courts, or require a lower height of a building or fewer number of stories, or require a greater percentage of a lot to be left unoccupied, or impose other higher standards than are required in any other statute or local ordinance or regulation, regulations made under authority of this Part shall govern. When the provisions of any other statute or local ordinance or regulation require a greater width or size of yards or courts, or require a lower height of a building or a fewer number of stories, or require a greater percentage of a lot to be left unoccupied, or impose other higher standards than are required by the regulations made under authority of this Part, the provisions of that statute or local ordinance or regulation shall govern. (1923, c. 250, s. 9; C. S., s. 2776(z); 1971, c. 698, s. 1.)

§ 160A-391. Other statutes not repealed. — This Part shall not repeal any zoning act or city planning act, local or general, now in force, except those that are repugnant to or inconsistent herewith. This Part shall be construed to be an enlargement of the duties, powers, and authority contained in other laws authorizing the appointment and proper functioning of city planning commissions or zoning commissions by any city or town in the State of North Carolina. (1923, c. 250, s. 11; C. S., s. 2776(aa); 1971, c. 698, s. 1.)

§ 160A-392. Part applicable to buildings constructed by State and its subdivisions. — All of the provisions of this Part are hereby made applicable to the erection, construction, and use of buildings by the State of North Carolina and its political subdivisions. (1951, c. 1203, s. 1; 1971, c. 698, s. 1.)

§§ 160A-393, 160A-394: Reserved for future codification purposes.

Part 3A. Historic Districts.

§ 160A-395. Exercise of powers under this Part by counties as well as cities; designation of historic districts. — The term "municipal governing body" or "municipal legislative body" as used in this Part shall be deemed to include the governing board or legislative board of a county, to the end that counties may exercise the same powers as cities with respect to the establishment of historic districts.

Any such legislative body may, as part of a zoning ordinance enacted or amended pursuant to this Article, designate (and from time to time amend) one or more historic districts within the area subject to the ordinance. Such ordinance may treat historic districts either as a separate use-district classification or as districts which overlap other zoning districts. Where historic districts are designated as separate use-districts, the zoning ordinances may include among

permitted uses those uses found by the historic district commission to have existed during the period sought to be restored or preserved, or to be compatible with the authentic restoration or preservation of the district. No historic district or districts shall be designated until:

(1) The local planning board shall have made an investigation and report on the historic significance of the buildings, structures, features, sites or surroundings included in any such proposed district, and shall have prepared a description of the boundaries of such district, and

(2) The Department of Cultural Resources, acting through such agent or employee as may be designated by its Secretary, shall have made an analysis of and recommendations concerning, such report and description of proposed boundaries. Failure of the Department to submit its analysis and recommendations to the municipal governing body within 60 days after a written request for such analysis has been mailed to it shall relieve the municipal governing body of any responsibility for awaiting such analysis, and said body may at any time thereafter take any necessary action to adopt or amend its zoning ordinance.

The municipal governing body may also, in its discretion, refer the planning board's report and proposed boundaries to any local historic sites commission or other interested body for its recommendations prior to taking action to amend the zoning ordinance.

On receipt of these reports and recommendations, the municipal legislative body may proceed in the same manner as would otherwise be required for the adoption or amendment of any appropriate zoning ordinance provisions. (1965, c. 504, s. 2; 1971, c. 884, ss. 1, 2, 4; c. 896, s. 7; 1973, c. 476, s. 48.)

Cross References. — As to historic properties commission, see §§ 157A-1 to 157A-13. As to designation of members of historic district commission as historic properties commission, see § 157A-2.

Editor's Note. — Sections 160A-395 to 160A-399 were originally enacted as §§ 160-178.1 to 160-178.5. They were transferred to their present position by Session Laws 1971, c. 896, s. 7.

As enacted in 1965, §§ 160A-395 to 160A-399 were applicable to only certain named cities and towns and were therefore not codified in the General Statutes. They were made statewide in application by Session Laws 1971, c. 884.

§ 160A-396. Historic district commission. — Before it may designate one or more historic districts, a municipality shall establish or designate a historic district commission. The municipal governing board shall determine the number of members of the commission, which shall be at least three, and the length of their terms, which shall be no greater than four years. A majority of the members of such a commission shall have demonstrated special interest, experience, or education in history or architecture; and all the members shall reside within the territorial jurisdiction of the municipality as established pursuant to G.S. 160A-360.

In lieu of establishing a separate historic district commission, a municipality may designate as its historic district commission, either (i) the municipal historic properties commission, established pursuant to G.S. 160A-399.2, or (ii) the municipal planning board. In order for the planning board to be designated, at least two of its members shall have demonstrated special interest, experience, or education in history or architecture.

A county and one or more cities in the county may establish or designate a joint historic district commission. If a joint commission is established or designated, the county and city and cities involved shall determine the residence requirements of members of the joint historic district commission. (1965, c. 504, s. 2; 1971, c. 884, s. 2; c. 896, s. 7; 1973, c. 426, s. 62.)

§ 160A-397. Certificate of appropriateness required. — From and after the designation of a historic district, no exterior portion of any building or other structure (including stone walls, fences, light fixtures, steps and pavement, or other appurtenant features) nor above-ground utility structure nor any type of outdoor advertising sign shall be erected, altered, restored, or moved within such district until after an application for a certificate of appropriateness as to exterior architectural features has been submitted to and approved by the historic district commission. The municipality shall require such a certificate to be issued by the commission prior to the issuance of a building permit or other permit granted for purposes of constructing or altering structures. A certificate of appropriateness shall be required whether or not a building permit is required.

For purposes of this Part, "exterior architectural features" shall include the architectural style, general design, and general arrangement of the exterior of a building or other structure, including the color, the kind and texture of the building material, and the type and style of all windows, doors, light fixtures, signs, and other appurtenant fixtures. In the case of outdoor advertising signs, "exterior architectural features" shall be construed to mean the style, material, size, and location of all such signs.

The commission shall not consider interior arrangement and shall take no action under this section except for the purpose of preventing the construction, reconstruction, alteration, restoration, or moving of buildings, structures, appurtenant fixtures, or outdoor advertising signs in the historic district which would be incongruous with the historic aspects of the district.

Prior to issuance or denial of a certificate of appropriateness the commission shall take such action as may reasonably be required to inform the owners of any property likely to be materially affected by the application, and shall give the applicant and such owners an opportunity to be heard. In cases where the commission deems it necessary, it may hold a public hearing concerning the application. An appeal may be taken to the Board of Adjustment from the commission's action in granting or denying the certificate, in the same manner as any other appeal to such Board. Any appeal from the Board of Adjustment's decision in any such case shall be heard by the superior court of the county in which the municipality is located.

The Department of Cultural Resources, acting through any agent or employee designated by its Secretary, or the North Carolina Advisory Council on Historic Preservation, shall, either upon the request of the Department or at the initiative of the historic district commission, be given an opportunity to review, comment and make recommendations upon the substance and effect of any application for a certificate of appropriateness in any historic district established pursuant to G.S. 160A-395 through 160A-399. Its comments and recommendations may be provided in writing to the historic district commission or made orally at any public hearing held in connection with the application. The historic district commission shall consider these comments and recommendations prior to the issuance of a certificate of appropriateness. If any certificate is issued contrary to the recommendations of the Department, the historic district commission shall enter the reasons therefor in the minutes of the meeting at which such action is taken, and a copy of the minutes shall be forwarded to the Department by the commission's secretary. If the Department does not submit its comments or recommendations in connection with any application within 30 days following receipt by the Department of any materials needed for its review of the application, whether such review is at the request of the Department or the historic district commission, the commission and any city or county governing board shall be relieved of any responsibility to consider those comments and recommendations. In this case, the certificate of appropriateness may thereafter be issued without regard to the requirements of this paragraph. (1965, c. 504, s. 2; 1971, c. 884, ss. 2, 5; c. 896, s. 7; 1973, c. 426, s. 60; c. 476, s. 48.)

§ 160A-398. Certain changes not prohibited. — Nothing in this Part shall be construed to prevent the ordinary maintenance or repair of any exterior architectural feature in a historic district which does not involve a change in design, material, color, or outer appearance thereof, nor to prevent the construction, reconstruction, alteration, restoration, or demolition of any such feature which the building inspector or similar official shall certify is required by the public safety because of an unsafe or dangerous condition. (1965, c. 504, s. 2; 1971, c. 884, s. 2; c. 896, s. 7; 1973, c. 426, s. 60.)

§ 160A-399. Delay in demolition of historic buildings. — From and after the designation of a historic district, no building or structure therein shall be demolished or otherwise removed until the owner thereof shall have given the historic district commission 90 days' written notice of his proposed action. During such 90-day period the historic district commission may negotiate with the owner and with any other parties in an effort to find a means of preserving the building. If the historic district commission finds that the building involved has no particular historic significance or value toward maintaining the character of the district, it may waive all or part of such 90-day period and authorize earlier demolition or removal. (1965, c. 504, s. 2; 1971, c. 884, s. 2; c. 896, s. 7.)

Part 3B. Historic Properties Commissions.

§ 160A-399.1. Legislative findings. — The historical heritage of our State is one of our most valued and important assets. Conservation of historic properties will stabilize and increase the values in their areas and strengthen the overall economy of the State. This Part authorizes cities and counties of the State, within their respective zoning jurisdictions, and by means of listing, regulation, and acquisition,

(1) To safeguard the heritage of the city or county by preserving any property therein that embodies important elements of its cultural, social, economic, political or architectural history; and

(2) To promote the use and conservation of such property for the education, pleasure and enrichment of the residents of the city or county and the State as a whole. (1971, c. 885, s. 1; 1973, c. 426, s. 62.)

Cross Reference. — As to territorial jurisdiction of counties under this Part, see § 153A-320.

Editor's Note. — Sections 160A-399.1 through 160A-399.13 were originally codified as chapter 157A, comprising §§ 157A-1 through 157A-13. They were transferred to their present position by Session Laws 1973, c. 426, s. 62.

§ 160A-399.2. Appointment or designation of historic properties commission. — Before it may exercise the powers set forth in this Part, a city or county shall establish or designate a historic properties commission. The city or county governing board shall determine the number of members of the commission, which shall be at least three, and the length of their terms, which shall be no greater than four years. A majority of the members of such a commission shall have demonstrated special interest, experience, or education in history or architecture; and all the members shall reside within the territorial jurisdiction of the city or county as established pursuant to G.S. 160A-360. In establishing such a commission and making appointments to it, a city or county may seek the advice of any State or local historical agency, society, or organization.

In lieu of establishing a separate historic properties commission, a city or county may designate as its historic properties commission either (i) the city or county historic districts commission, established pursuant to G.S. 160A-396, or

(ii) the city or county planning board. In order for the planning board to be designated, at least two of its members shall have demonstrated special interest, experience, or education in history or architecture.

A county and one or more cities in the county may establish or designate a joint historic properties commission. If a joint commission is established or designated, the county and city or cities involved shall determine the residence requirements for members of the joint historic properties commission. (1971, c. 885, s. 2; 1973, c. 426, s. 62.)

Local Modification. — Mecklenburg: 1973, c. 331; city of Charlotte: 1973, c. 331.

§ 160A-399.3. Powers of the properties commission. — Any city or county historic properties commission appointed or designated pursuant to this Part shall be authorized to:

(1) Recommend to the city or county governing board structures, sites, areas or objects to be designated by ordinance as "historic properties."

(2) Acquire the fee or any lesser included interest to any such historic properties, to hold, manage, restore and improve the same, and to exchange and dispose of the same by sale, lease or otherwise subject to the rights of public access and other covenants and in a manner that will conserve the property for the purposes of this Part.

(3) Restore, preserve and operate such historic properties.

(4) Recommend to the governing board that designation of any building, structure, site, area or object as a historic property be revoked or removed.

(5) Conduct an educational program on historic properties within its jurisdiction.

(6) Cooperate with the State, federal and local governments in pursuance of the purposes of this Part. The governing board or the commission when authorized by the governing board may contract with the State, or the United States of America, or any agency of either, or with any other organization provided the terms are not inconsistent with State or federal law.

(7) Enter, solely in performance of its official duties and only at reasonable times, upon private lands for examination or survey thereof. However, no member, employee or agent of the commission may enter any private building or structure without the express consent of the owner or occupant thereof.

(8) All meetings or hearings of the commission shall be open to the public, and reasonable notice of the time and place thereof shall be given to the public. (1971, c. 885, s. 3; 1973, c. 426, s. 62.)

§ 160A-399.4. Adoption of an ordinance; criteria for designation. — Upon complying with G.S. 160A-399.5, the governing board may adopt and from time to time amend or repeal an ordinance designating one or more historic properties on the following criteria: historical and cultural significance; suitability for preservation or restoration; educational value; cost of acquisition, restoration, maintenance, operation or repair; possibilities for adaptive or alternative use of the property; appraised value; and the administrative and financial responsibility of any person or organization willing to underwrite all or a portion of such costs. In order for any building, structure, site, area or object to be designated in the ordinance as a historic property, it must in addition meet the criteria established for inclusion of the property in the National Register of Historic Places established by the National Historic Preservation Act of 1966, Public Law

89-665, 16 U.S.C.A. section 470a, as amended, as evidenced by appropriate findings in resolutions of the city or county historic properties commission.

The ordinance shall describe each property designated in the ordinance, the name or names of the owner or owners of the property, and any other information the governing board deems necessary within the authority of this Part. For each building, structure, site, area or object designated as a historic property, the ordinance shall require that the waiting period set forth in G.S. 160A-399.6 be observed prior to its demolition, material alteration, remodeling or removal. For each designated historic property, the ordinance shall also provide for a suitable sign on the property that the property has been so designated. If the owner consents, the sign shall be placed upon the property. If the owner objects the sign shall be placed on a nearby public right-of-way. (1971, c. 885, s. 4; 1973, c. 426, s. 62.)

§ 160A-399.5. Required procedures. — No ordinances designating a historic building, structure, site, area or object nor any amendment thereto may be adopted, nor may any property be accepted or acquired by a historic properties commission or the governing board of a city or county, until the following procedural steps have been taken:

(1) The historic properties commission shall make or cause to be made an investigation and report on the historic, architectural, educational or cultural significance of each building, structure, site, area or object proposed for designation or acquisition.

(2) The Department of Cultural Resources, or another agent or employee of the Department designated by the Secretary, shall make an analysis of and recommendations concerning the report of the historic properties commission. This is waived if the Department fails to submit its analysis and recommendations to the governing board within 60 days after written request for the analysis has been mailed to the Department by the clerk of the city or county governing board. This requirement is also waived with respect to any building, structure, site, area or object of national, State or local historical significance that is currently listed (as certified by the Secretary of Cultural Resources) on the National Register of Historic Places established by the National Historic Preservation Act of 1966, Public Law 89-655, 16 U.S.C.A. section 470a, as amended.

(3) The historic properties commission and the governing board shall hold a public hearing on the proposed ordinance. Notice of the hearing shall be published at least once in a newspaper generally circulated within the city or county in which the property or properties to be designated or acquired are located, and written notice of the hearing shall be mailed by the properties commission to all owners and occupants of properties whose identity and current mailing address can be ascertained by the exercise of reasonable diligence. All such notices shall be published or mailed not less than 10 nor more than 20 days prior to the date set for the public hearing.

(4) Following the joint public hearing, the governing board may adopt the ordinance as proposed, adopt the ordinance with any amendments it deems necessary, or reject the proposal.

(5) Upon adoption of the ordinance, the owners and occupants of each designated historic property shall be given written notification of such designation by the governing board, insofar as reasonable diligence permits. One copy of the ordinance and each amendment thereto shall be filed by the historic properties commission in the office of the register of deeds of the county in which the property or properties are located. Each historic property designated in the ordinance shall be indexed according to the name of the owner of the property in the

grantee and grantor indexes in the register of deeds office, and the historic properties commission shall pay a reasonable fee for filing and indexing. In the case of any property lying within the zoning jurisdiction of a city, a second copy of the ordinance and each amendment thereto shall be kept on file in the office of the city or town clerk and be made available for public inspection at any reasonable time. A third copy of the ordinance and each amendment thereto shall be given to the city or county building inspector, if any. The fact that a building, structure, site, area or object has been designated a historic property shall be clearly indicated on all tax maps maintained by the county or city for such period as the designation remains in effect.

(6) Upon the adoption of the historic properties ordinance or any amendment thereto, it shall be the duty of the historic properties commission to give notice thereof to the tax supervisor of the county in which the property is located. The designation and any recorded restrictions upon the property limiting its use for preservation purposes shall be considered by the tax supervisor in appraising it for tax purposes. (1971, c. 885, s. 5; 1973, c. 426, s. 62; c. 476, s. 48.)

§ 160A-399.6. Required waiting period. — A property which has been designated as a historic property by ordinance as herein provided may, after notice has been made to the owner as provided in G.S. 160A-399.5(5), be demolished, materially altered, remodeled or removed only after 90 days' written notice of the owner's proposed action has been given to the historic properties commission. During this period, the commission may negotiate with the owner and with any other parties in an effort to find a means of preserving the property. During this period, or at any time prior thereto following notice of designation to the owner as provided in G.S. 160A-399.5(5) and where such action is reasonably necessary or appropriate for the continued preservation of the property, the commission may enter into negotiations with the owner for the acquisition by gift, purchase, exchange or otherwise of the property or any interest therein authorized by G.S. 160A-399.3. The commission may reduce the waiting period required by this section in any case where the owner would suffer extreme hardship, not including loss of profit, unless a reduction in the required waiting period were allowed. The commission shall have the discretionary authority to waive all or any portion of the required waiting period, provided that the alteration, remodeling or removal is undertaken subject to conditions agreed to by the commission insuring the continued maintenance of the architectural or historical integrity and character of the property. (1971, c. 885, s. 6; 1973, c. 426, s. 62.)

§ 160A-399.7. Certain changes not prohibited. — Nothing in this Part shall be construed to prevent the ordinary maintenance or repair of any exterior architectural feature in or on a historic property that does not involve a change in design, material, or outer appearance thereof, nor to prevent the construction, reconstruction, alteration, restoration, demolition or removal of any such feature when a building inspector or similar official certifies to the commission that such action is required for the public safety because of an unsafe or dangerous condition. Nothing herein shall be construed to prevent a property owner from making any use of his property not prohibited by other statutes, ordinances, or regulations. (1971, c. 885, s. 7; 1973, c. 426, s. 62.)

§ 160A-399.8. Authority to acquire historic buildings. — Within the limits of its zoning jurisdiction, any city or county governing board (and, with the approval of the governing board, any historic properties commission) may acquire property designated by ordinance as historic property, and may pay therefor out of any funds which may be appropriated for that purpose. The general powers granted to municipalities by G.S. 160-200(1), (2), (4), and (5) and

to counties by G.S. 153-2(2), (3), and (4), and by G.S. 153-9(13) and (14) shall be deemed to include specifically the authority to acquire, maintain, manage, repair, restore, exchange or dispose of any building or structure designated as a historic property in any ordinance adopted pursuant to this Part. In the event the property is acquired under this section but is not used for some other governmental purpose, it shall be deemed to be a "museum" under the provisions of G.S. 160-200(40), notwithstanding the fact that the property may be or remain in private use, so long as the property is made reasonably accessible to and open for visitation by the general public. (1971, c. 885, s. 8; 1973, c. 426, s. 62.)

Editor's Note. — Section 160-200 was repealed by Session Laws 1971, c. 698, s. 2. As to corporate powers of municipalities generally, see now § 160A-11. As to museums, see now § 160A-488.

Sections 153-2 and 153-9 were repealed by Session Laws 1973, c. 822. As to corporate powers of counties generally, see now § 153A-11.

§ 160A-399.9. Appropriations. — A city or county governing board is authorized to make appropriations to a historic properties commission established pursuant to this Part in any amount that it may determine necessary for the expenses of the operation of the commission, and may make available any additional amounts necessary for the acquisition, restoration, preservation, operation and management of historic buildings, structures, sites, areas or objects designated as historic properties, or of land on which historic buildings or structures are located or to which they may be removed. (1971, c. 885, s. 9; 1973, c. 426, s. 62.)

§ 160A-399.10. Ownership of property. — All lands, buildings, structures, sites, areas or objects acquired by funds appropriated by a city or county shall be acquired in the name of the city or county unless otherwise provided by the governing board. So long as owned by the city or county, historic properties may be maintained by or under the supervision and control of the city or county. However, all lands, buildings or structures acquired by a historic properties commission from funds other than those appropriated by a city or county may be acquired and held in the name of the historic properties commission, the city or county, or both. (1971, c. 885, s. 10; 1973, c. 426, s. 62.)

§ 160A-399.11. Part to apply to publicly owned buildings and structures. — Nothing in this Part shall be construed to prevent the regulation or acquisition of historic buildings, structures, sites, areas or objects owned by the State of North Carolina or any of its political subdivisions, agencies, or instrumentalities. (1971, c. 885, s. 11; 1973, c. 426, s. 62.)

§ 160A-399.12. Conflict with other laws. — Whenever any ordinance adopted pursuant to this Part requires a longer waiting period or imposes other higher standards with respect to a designated historic property than are established under any other statute, charter provision, or regulation, this Part shall govern. Whenever the provisions of any other statute, charter provision, ordinance or regulation require a longer waiting period or impose other higher standards than are established under this Part, such other statute, charter provision, ordinance or regulation shall govern. (1971, c. 885, s. 12; 1973, c. 426, s. 62.)

§ 160A-399.13. Remedies. — In case any building, structure, site, area or object designated a historic property is about to be demolished whether as the result of deliberate neglect or otherwise, materially altered, remodeled or removed, except in compliance with the ordinance, the city or county or the historic properties commission, may institute any appropriate action or proceedings to prevent such unlawful demolition, material alteration,

remodeling or removal, to restrain, correct or abate such violation, or to prevent any illegal act or conduct with respect to such historic property. (1971, c. 885, s. 13; 1973, c. 426, s. 62.)

§ 160A-400: Reserved for future codification purposes.

Part 4. Acquisition of Open Space.

§ 160A-401. Legislative intent. — It is the intent of the General Assembly in enacting this Part to provide a means whereby any county or city may acquire, by purchase, gift, grant, bequest, devise, lease, or otherwise, and through the expenditure of public funds, the fee or any lesser interest or right in real property in order to preserve, through limitation of their future use, open spaces and areas for public use and enjoyment. (1963, c. 1129, s. 1; 1971, c. 698, s. 1.)

§ 160A-402. Finding of necessity. — The General Assembly finds that the rapid growth and spread of urban development in the State is encroaching upon, or eliminating, many open areas and spaces of varied size and character, including many having significant scenic or esthetic values, which areas and spaces if preserved and maintained in their present open state would constitute important physical, social, esthetic, or economic assets to existing and impending urban development. The General Assembly declares that it is necessary for sound and proper urban development and in the public interest of the people of this State for any county or city to expend or advance public funds for, or to accept by purchase, gift, grant, bequest, devise, lease, or otherwise, the fee or any lesser interest or right in real property so as to acquire, maintain, improve, protect, limit the future use of, or otherwise conserve open spaces and areas within their respective jurisdictions as defined by this Article.

The General Assembly declares that the acquisition of interests or rights in real property for the preservation of open spaces and areas constitutes a public purpose for which public funds may be expended or advanced. (1963, c. 1129, s. 2; 1971, c. 698, s. 1.)

§ 160A-403. Counties or cities authorized to acquire and reconvey real property. — Any county or city in the State may acquire by purchase, gift, grant, bequest, devise, lease, or otherwise, the fee or any lesser interest, development right, easement, covenant, or other contractual right of or to real property within its respective jurisdiction, when it finds that the acquisition is necessary to achieve the purposes of this Part. Any county or city may also acquire the fee to any property for the purpose of conveying or leasing the property back to its original owner or other person under covenants or other contractual arrangements that will limit the future use of the property in accordance with the purposes of this Part, but when this is done, the property may be conveyed back to its original owner but to no other person by private sale. (1963, c. 1129, s. 3; 1971, c. 698, s. 1.)

§ 160A-404. Joint action by governing bodies. — Any county or city may enter into any agreement with any other county or city for the purpose of jointly exercising the authority granted by this Part. (1963, c. 1129, s. 4; 1971, c. 698, s. 1.)

§ 160A-405. Powers of governing bodies. — Any county or city, in order to exercise the authority granted by this Part, may:

(1) Enter into and carry out contracts with the State or federal government or any agencies thereof under which grants or other assistance are made to the county or city;

(2) Accept any assistance or funds that may be granted by the State or federal government with or without a contract;

(3) Agree to and comply with any reasonable conditions imposed upon grants;
(4) Make expenditures from any funds so granted. (1963, c. 1129, s. 5; 1971, c. 698, s. 1.)

§ 160A-406. Appropriations authorized. — For the purposes set forth in this Part, a county or city may appropriate funds not otherwise limited as to use by law. (1963, c. 1129, s. 6; 1971, c. 698, s. 1; 1973, c. 426, s. 60; 1975, c. 664, s. 14.)

Editor's Note. — The 1975 amendment rewrote this section.

§ 160A-407. Definitions. — (a) For the purpose of this Part an "open space" or "open area" is any space or area (i) characterized by great natural scenic beauty or (ii) whose existing openness, natural condition, or present state of use, if retained, would enhance the present or potential value of abutting or surrounding urban development, or would maintain or enhance the conservation of natural or scenic resources.

(b) For the purposes of this Part "open space" or "open area" and the "public use and enjoyment" of interests or rights in real property shall also include open space land and open space uses. The term "open space land" means any undeveloped or predominantly undeveloped land in an urban area that has value for one or more of the following purposes: (i) park and recreational purposes, (ii) conservation of land and other natural resources, or (iii) historic or scenic purposes. The term "open space uses" means any use of open space land for (i) park and recreational purposes, (ii) conservation of land and other natural resources, or (iii) historic or scenic purposes. (1963, c. 1129, s. 7; 1969, c. 35, s. 1; 1971, c. 698, s. 1.)

§§ 160A-408 to 160A-410: Reserved for future codification purposes.

Part 5. Building Inspection.

§ 160A-411. Inspection department. — Every city in the State is hereby authorized to create an inspection department, and shall appoint one or more inspectors who may be given the titles of building inspector, electrical inspector, plumbing inspector, housing inspector, zoning inspector, heating and air-conditioning inspector, fire prevention inspector, or deputy or assistant inspector, or such other titles as may be generally descriptive of the duties assigned. The department may be headed by a superintendent or director of inspections. (1969, c. 1065, s. 1; 1971, c. 698, s. 1.)

§ 160A-412. Duties and responsibilities. — The duties and responsibilities of an inspection department and of the inspectors therein shall be to enforce within their territorial jurisdiction State and local laws relating to

(1) The construction of buildings and other structures;
(2) The installation of such facilities as plumbing systems, electrical systems, heating systems, refrigeration systems, and air-conditioning systems;
(3) The maintenance of buildings and other structures in a safe, sanitary, and healthful condition;
(4) Other matters that may be specified by the city council.

These duties shall include the receipt of applications for permits and the issuance or denial of permits, the making of any necessary inspections, the issuance or denial of certificates of compliance, the issuance of orders to correct violations, the bringing of judicial actions against actual or threatened violations, the keeping of adequate records, and any other actions that may be required in order

adequately to enforce those laws. The city council shall have the authority to enact reasonable and appropriate provisions governing the enforcement of those laws. (1969, c. 1065, s. 1; 1971, c. 698, s. 1.)

§ 160A-413. Joint inspection department; other arrangements. — A city council may enter into and carry out contracts with another city, county, or combination thereof under which the parties agree to create and support a joint inspection department for the enforcement of State and local laws specified in the agreement. The governing boards of the contracting parties are authorized to make any necessary appropriations for this purpose.

In lieu of a joint inspection department, a city council may designate an inspector from any other city or county to serve as a member of its inspection department with the approval of the governing body of the other city or county. The inspector shall, while exercising the duties of the position, be considered a municipal employee.

The city council of any city may request the board of county commissioners of the county in which the city is located to direct one or more county building inspectors to exercise their powers within part or all of the city's jurisdiction, and they shall thereupon be empowered to do so until the city council officially withdraws its request in the manner provided in G.S. 160A-360(g). (1969, c. 1065, s. 1; 1971, c. 698, s. 1; 1973, c. 426, s. 64.)

160A-414. Financial support. — The city council may appropriate for the support of the inspection department any funds that it deems necessary. It may provide for paying inspectors fixed salaries or it may reimburse them for their services by paying over part or all of any fees collected. It shall have power to fix reasonable fees for issuance of permits, inspections, and other services of the inspection department. (1969, c. 1065, s. 1; 1971, c. 698, s. 1.)

§ 160A-415. Conflicts of interest. — No member of an inspection department shall be financially interested in the furnishing of labor, material, or appliances for the construction, alteration, or maintenance of any building within the city's jurisdiction or any part or system thereof, or in the making of plans or specifications therefor, unless he is the owner of the building. No member of an inspection department shall engage in any work that is inconsistent with his duties or with the interest of the city. (1969, c. 1065, s. 1; 1971, c. 698, s. 1.)

§ 160A-416. Failure to perform duties. — If any member of an inspection department shall willfully fail to perform the duties required of him by law, or willfully shall improperly issue a permit, or shall give a certificate of compliance without first making the inspections required by law, or willfully shall improperly give a certificate of compliance, he shall be guilty of a misdemeanor. (1969, c. 1065, s. 1; 1971, c. 698, s. 1.)

§ 160A-417. Permits. — No person shall commence or proceed with

(1) The construction, reconstruction, alteration, repair, removal, or demolition of any building or structure,
(2) The installation, extension, or general repair of any plumbing system,
(3) The installation, extension, alteration, or general repair of any heating or cooling equipment system, or
(4) The installation, extension, alteration, or general repair of any electrical wiring, devices, appliances, or equipment,

without first securing from the inspection department with jurisdiction over the site of the work any and all permits required by the State Building Code and any other State or local laws applicable to the work. A permit shall be in writing and shall contain a provision that the work done shall comply with the State Building Code and all other applicable State and local laws. No permits shall be issued unless the plans and specifications are identified by the name and address of the author thereof, and if the General Statutes of North Carolina require that

plans for certain types of work be prepared only by a registered architect or registered engineer, no permit shall be issued unless the plans and specifications bear the North Carolina seal of a registered architect or of a registered engineer. When any provision of the General Statutes of North Carolina or of any ordinance requires that work be done by a licensed specialty contractor of any kind, no permit for the work shall be issued unless the work is to be performed by such a duly licensed contractor. Violation of this section shall constitute a misdemeanor. (1905, c. 506, s. 26; Rev., s. 2986; 1915, c. 192, s. 3; C. S., s. 2748; 1957, c. 817; 1969, c. 1065, s. 1; 1971, c. 698, s. 1; 1973, c. 426, s. 65.)

Editor's Note. — The cases cited in the following note were decided under former § 160-122 and prior similar provisions.

Permit Required before Construction or Repair of Building. — Former § 160-126 (prior to 1969) required the owner of the property to obtain a permit before constructing or repairing a building. Warner v. W & O, Inc., 263 N.C. 37, 138 S.E.2d 782 (1964). See State v. Eubanks, 154 N.C. 628, 70 S.E. 466 (1911).

But Permit without Expenditure Is Not Existing Use Protected against Zoning Amendment. — If a property owner in good faith makes expenditures in reliance on a building permit issued to him, his right to construct the building will be protected as an existing use upon later amendment of the municipal zoning regulations, but the mere issuance of a building permit alone creates no property right in him, and he may not remain inactive and thereby deny the municipality the right to make needed changes in its ordinances. Warner v. W & O, Inc., 263 N.C. 37, 138 S.E.2d 782 (1964).

Rule Must Be Uniform. — The ordinance of a city providing that no person shall erect within the city limits any house or building of any kind, or add to, improve or change any building without having first obtained permission from the board of aldermen, is void, for the reason that it does not prescribe a uniform rule of action for governing the exercises of the discretion of the aldermen, but on the contrary, leaves the rights of property subject to their arbitrary discretion. State v. Tenant, 110 N.C. 609, 14 S.E. 387 (1892).

Permit Secured by Mandamus. — Where a city, under an ordinance, with legislative authority in such matters, has issued a permit to build an additional room to a residence and thereafter has recalled the permit pending the settlement of a dispute as to whether it would be situate upon an alley claimed to have been widened and upon the finding by the jury that the alley had not been widened and that the room would not be thereon, a mandamus is the proper remedy, though the form of the issue was incorrect. Clinard v. City of Winston-Salem, 173 N.C. 356, 91 S.E. 1039 (1917).

§ 160A-418. Time limitations on validity of permits. — A permit issued pursuant to G.S. 160A-417 shall expire by limitation six months, or any lesser time fixed by ordinance of the city council, after the date of issuance if the work authorized by the permit has not been commenced. If after commencement the work is discontinued for a period of 12 months, the permit therefor shall immediately expire. No work authorized by any permit that has expired shall thereafter be performed until a new permit has been secured. (1969, c. 1065, s. 1; 1971, c. 698, s. 1.)

§ 160A-419. Changes in work. — After a permit has been issued, no changes or deviations from the terms of the application, plans and specifications, or the permit, except where changes or deviations are clearly permissible under the State Building Code, shall be made until specific written approval of proposed changes or deviations has been obtained from the inspection department. (1969, c. 1065, s. 1; 1971, c. 698, s. 1.)

§ 160A-420. Inspections of work in progress. — As the work pursuant to a permit progresses, local inspectors shall make as many inspections thereof as may be necessary to satisfy them that the work is being done according to the provisions of any applicable State and local laws and of the terms of the permit. In exercising this power, members of the inspection department shall have a right to enter on any premises within the jurisdiction of the department at all

reasonable hours for the purposes of inspection or other enforcement action, upon presentation of proper credentials. (1969, c. 1065, s. 1; 1971, c. 698, s. 1.)

§ 160A-421. Stop orders. — Whenever any building or structure or part thereof is being demolished, constructed, reconstructed, altered, or repaired in a hazardous manner, or in substantial violation of any State or local building law, or in a manner that endangers life or property, the appropriate inspector may order the specific part of the work that is in violation or presents such a hazard to be immediately stopped. The stop order shall be in writing, directed to the person doing the work, and shall state the specific work to be stopped, the specific reasons therefor, and the conditions under which the work may be resumed. The owner or builder may appeal from a stop order to the North Carolina Commissioner of Insurance within a period of five days after the order is issued. Notice of appeal shall be given in writing to the Commissioner of Insurance, with a copy to the local inspector. The Commissioner of Insurance shall promptly conduct a hearing at which the appellant and the inspector shall be permitted to submit relevant evidence, and shall rule on the appeal as expeditiously as possible. Pending the ruling by the Commissioner of Insurance on an appeal no further work shall take place in violation of a stop order. Violation of a stop order shall constitute a misdemeanor. (1969, c. 1065, s. 1; 1971, c. 698, s. 1.)

§ 160A-422. Revocation of permits. —The appropriate inspector may revoke and require the return of any permit by notifying the permit holder in writing stating the reason for the revocation. Permits shall be revoked for any substantial departure from the approved application, plans, or specifications; for refusal or failure to comply with the requirements of any applicable State or local laws; or for false statements or misrepresentations made in securing the permit. Any permit mistakenly issued in violation of an applicable State or local law may also be revoked. (1969, c. 1065, s. 1; 1971, c. 698, s. 1.)

§ 160A-423. Certificates of compliance. — At the conclusion of all work done under a permit, the appropriate inspector shall make a final inspection, and if he finds that the completed work complies with all applicable State and local laws and with the terms of the permit, he shall issue a certificate of compliance. No new building or part thereof may be occupied, and no addition or enlargement of an existing building may be occupied, and no existing building that has been altered or moved may be occupied, until the inspection department has issued a certificate of compliance. A temporary certificate of compliance may be issued permitting occupancy for a stated period of specified portions of the building that the inspector finds may safely be occupied prior to final completion of the entire building. Violation of this section shall constitute a misdemeanor. (1969, c. 1065, s. 1; 1971, c. 698, s. 1; 1973, c. 426, s. 66.)

§ 160A-424. Periodic inspections. — The inspection department shall make periodic inspections, subject to the council's directions, for unsafe, unsanitary, or otherwise hazardous and unlawful conditions in structures within its territorial jurisdiction. In addition, it shall make inspections when it has reason to believe that such conditions may exist in a particular structure. In exercising this power, members of the department shall have a right to enter on any premises within the jurisdiction of the department at all reasonable hours for the purposes of inspection or other enforcement action, upon presentation of proper credentials. (1969, c. 1065, s. 1; 1971, c. 698, s. 1.)

§ 160A-425. Defects in buildings to be corrected. — When a local inspector finds any defects in a building, or finds that the building has not been constructed in accordance with the applicable State and local laws, or that a building because of its condition is dangerous or contains fire hazardous

conditions, it shall be his duty to notify the owner or occupant of the building of its defects, hazardous conditions, or failure to comply with law. The owner or occupant shall each immediately remedy the defects, hazardous conditions, or violations of law in the property he owns. (1905, c. 506, s. 28; Rev., s. 3009; 1915, c. 192, s. 14; C. S., s. 2771; 1969, c. 1065, s. 1; 1971, c. 698, s. 1; 1973, c. 426, s. 67.)

§ 160A-426. Unsafe buildings condemned. — Every building which shall appear to the inspector to be especially dangerous to life because of its liability to fire or because of bad condition of walls, overloaded floors, defective construction, decay, unsafe wiring or heating system, inadequate means of egress, or other causes, shall be held to be unsafe, and the inspector shall affix a notice of the dangerous character of the structure to a conspicuous place on the exterior wall of said building. (1905, c. 506, s. 15; Rev., s. 3010; 1915, c. 192, s. 15; C. S., s. 2773; 1929, c. 199, s. 1; 1969, c. 1065, s. 1; 1971, c. 698, s. 1.)

§ 160A-427. Removing notice from condemned building. — If any person shall remove any notice that has been affixed to any building or structure by a local inspector of any municipality and that states the dangerous character of the building or structure, he shall be guilty of a misdemeanor. (1905, c. 506, s. 15; Rev., s. 3799; C. S., s. 2775; 1969, c. 1065, s. 1; 1971, c. 698, s. 1.)

§ 160A-428. Action in event of failure to take corrective action. — If the owner of a building or structure that has been condemned as unsafe pursuant to G.S. 160A-426 shall fail to take prompt corrective action, the local inspector shall give him written notice, by certified or registered mail to his last known address or by personal service,

(1) That the building or structure is in a condition that appears to constitute a fire or safety hazard or to be dangerous to life, health, or other property;

(2) That a hearing will be held before the inspector at a designated place and time, not later than 10 days after the date of the notice, at which time the owner shall be entitled to be heard in person or by counsel and to present arguments and evidence pertaining to the matter; and

(3) That following the hearing, the inspector may issue such order to repair, close, vacate, or demolish the building or structure as appears appropriate.

If the name or whereabouts of the owner cannot after due diligence be discovered, the notice shall be considered properly and adequately served if a copy thereof is posted on the outside of the building or structure in question at least 10 days prior to the hearing and a notice of the hearing is published in a newspaper having general circulation in the city at least once not later than one week prior to the hearing. (1969, c. 1065, s. 1; 1971, c. 698, s. 1.)

§ 160A-429. Order to take corrective action. — If, upon a hearing held pursuant to the notice prescribed in G.S. 160A-428, the inspector shall find that the building or structure is in a condition that constitutes a fire or safety hazard or renders it dangerous to life, health, or other property, he shall make an order in writing, directed to the owner of such building or structure, requiring the owner to remedy the defective conditions by repairing, closing, vacating, or demolishing the building or structure or taking other necessary steps, within such period, not less than 60 days, as the inspector may prescribe. (1969, c. 1065, s. 1; 1971, c. 698, s. 1; 1973, c. 426, s. 68.)

§ 160A-430. Appeal; finality of order if not appealed. — Any owner who has received an order under G.S. 160A-429 may appeal from the order to the city council by giving notice of appeal in writing to the inspector and to the city clerk within 10 days following issuance of the order. In the absence of an appeal, the order of the inspector shall be final. The city council shall hear an appeal within

a reasonable time and may affirm, modify and affirm, or revoke the order. (1969, c. 1065, s. 1; 1971, c. 698, s. 1; 1973, c. 426, s. 69.)

§ 160A-431. Failure to comply with order. — If the owner of a building or structure fails to comply with an order issued pursuant to G.S. 160A-429 from which no appeal has been taken, or fails to comply with an order of the city council following an appeal, he shall be guilty of a misdemeanor and shall be punished in the discretion of the court. (1905, c. 506, s. 15; Rev., s. 3802; 1915, c. 192, s. 19; C. S., s. 2774; 1929, c. 199, s. 2; 1969, c. 1065, s. 1; 1971, c. 698, s. 1.)

§ 160A-432. Equitable enforcement. — Whenever any violation is denominated a misdemeanor under the provisions of this Part, the city, either in addition to or in lieu of other remedies, may initiate any appropriate action or proceedings to prevent, restrain, correct, or abate the violation or to prevent the occupancy of the building or structure involved. (1969, c. 1065, s. 1; 1971, c. 698, s. 1.)

§ 160A-433. Records and reports. — The inspection department shall keep complete, permanent, and accurate records in convenient form of all applications received, permits issued, inspections and reinspections made, defects found, certificates of compliance granted, and all other work and activities of the department. Periodic reports shall be submitted to the city council and to the Commissioner of Insurance as they shall by ordinance, rule, or regulation require. (1905, c. 506, ss. 30, 31; Rev., ss. 3004, 3005; 1915, c. 192, s. 12; C. S., ss. 2766, 2767; 1969, c. 1065, s. 1; 1971, c. 698, s. 1.)

§ 160A-434. Appeals in general. — Unless otherwise provided by law, appeals from any order, decision, or determination by a member of a local inspection department pertaining to the State Building Code or other State building laws shall be taken to the Commissioner of Insurance or other official specified in G.S. 143-139, by filing a written notice with him and with the inspection department within a period of 10 days after the order, decision, or determination. Further appeals may be taken to the State Building Code Council or to the courts as provided by law. (1969, c. 1065, s. 1; 1971, c. 698, s. 1.)

§ 160A-435. Establishment of fire limits. — The city council of every incorporated city shall pass one or more ordinances establishing and defining fire limits, which shall include the principal business portions of the city and which shall be known as primary fire limits. In addition, the council may, in its discretion, establish and define one or more separate areas within the city as secondary fire limits. (1905, c. 506, s. 7; Rev., s. 2985; 1917, c. 136, subch. 8, s. 2; C. S., ss. 2746, 2802; 1961, c. 240; 1969, c. 1065, s. 1; 1971, c. 698, s. 1.)

Power Discretionary. — The courts will not pass upon the reasonableness of fire limits established by an incorporated town under authority conferred by the legislature, at least where the limits established appear to be reasonable and without palpable oppression or injustice done. State v. Lawing, 164 N.C. 492, 80 S.E. 69 (1913) (decided under former similar provisions).

§ 160A-436. Restrictions within primary fire limits. — Within the primary fire limits of any city, as established and defined by ordinance, no frame or wooden building or structure or addition thereto shall hereafter be erected, altered, repaired, or moved (either into the limits or from one place to another within the limits), except upon the permit of the local inspection department approved by the Commissioner of Insurance. The city council may make additional regulations for the prevention, extinguishment, or mitigation of fires within the primary fire limits. (1905, c. 506, s. 8; Rev., s. 2988; 1915, c. 192, s. 5; C. S., s. 2750; 1969, c. 1065, s. 1; 1971, c. 698, s. 1.)

Reasonableness of Ordinances.—While it might be unreasonable to prohibit even the slightest repairs to wooden buildings standing within the fire limits prior to the passage of a statute or ordinance establishing such limits, the power to prevent repairs is delegated and presumably exercised for the protection of property, and where a wooden structure within the bounds is partially destroyed by fire already, it is not unreasonable to require a new roof to be made of material less liable to combustion, or to forbid the repairs altogether when the damage to the building is serious and to that end to compel the owners to give notice to the town authorities of their purpose to repair, and of the character of the contemplated work. State v. Johnson, 114 N.C. 846, 19 S.E. 599 (1894) (decided under former similar provisions).

§ 160A-437. Restriction within secondary fire limits. — Within any secondary fire limits of any city or town, as established and defined by ordinance, no frame or wooden building or structure or addition thereto shall be erected, altered, repaired, or moved except in accordance with any rules and regulations established by ordinance of the areas. (1905, c. 506, s. 8; Rev., s. 2988; 1915, c. 192, s. 5; C. S., s. 2750; 1969, c. 1065, s. 1; 1971, c. 698, s. 1.)

§ 160A-438. Failure to establish primary fire limits. — If the council of any city shall fail or refuse to establish and define the primary fire limits of the city as required by law, after having such failure or refusal called to their attention in writing by the State Commissioner of Insurance, the Commissioner shall have the power to establish the limits upon making a determination that they are necessary and in the public interest. (1905, c. 506, s. 7; Rev., s. 3608; C. S., s. 2747; 1969, c. 1065, s. 1; 1971, c. 698, s. 1.)

§§ 160A-439, 160A-440: Reserved for future codification purposes.

Part 6. Minimum Housing Standards.

§ 160A-441. Exercise of police power authorized. — It is hereby found and declared that the existence and occupation of dwellings in this State that are unfit for human habitation are inimical to the welfare and dangerous and injurious to the health, safety and morals of the people of this State, and that a public necessity exists for the repair, closing or demolition of such dwellings. Whenever any city or county of this State finds that there exists in the city or county dwellings that are unfit for human habitation due to dilapidation, defects increasing the hazards of fire, accidents or other calamities, lack of ventilation, light or sanitary facilities, or due to other conditions rendering the dwellings unsafe or unsanitary, or dangerous or detrimental to the health, safety, morals, or otherwise inimical to the welfare of the residents of the city or county, power is hereby conferred upon the city or county to exercise its police powers to repair, close or demolish the dwellings in the manner herein provided. No ordinance enacted by the governing body of a county pursuant to this Part shall be applicable within the corporate limits of any city unless the city council of the city has by resolution expressly given its approval thereto.

In addition to the exercise of police power authorized herein, any city may by ordinance provide for the repair, closing or demolition of any abandoned structure which the city council finds to be a health or safety hazard as a result of the attraction of insects or rodents, conditions creating a fire hazard, dangerous conditions constituting a threat to children or frequent use by vagrants as living quarters in the absence of sanitary facilities. Such ordinance, if adopted, may provide for the repair, closing or demolition of such structure pursuant to the same provisions and procedures as are prescribed herein for the repair, closing or demolition of dwellings found to be unfit for human habitation. (1939, c. 287, s. 1; 1969, c. 913, s. 1; 1971, c. 698, s. 1; 1973, c. 426, s. 60; 1975, c. 664, s. 15.)

Editor's Note. — The 1975 amendment added the second paragraph.

Many of the cases and opinions of the Attorney General cited in the annotations to the sections in this Part were decided or issued under former §§ 160-182 to 160-191.

For article on the constitutional problems of housing codes as a means of preventing urban blight, see 6 Wake Forest Intra. L. Rev. 255 (1970). For note on retaliatory evictions and housing code enforcement, see 49 N.C.L. Rev. 569 (1971).

Purpose. — This Part was enacted for the purpose of insuring that minimum housing standards would be achieved in the cities and counties of this State. Harrell v. City of Winston-Salem, 22 N.C. App. 386, 206 S.E.2d 802 (1974).

Exercise of Police Power by Municipality Authorized. — See State v. Walker, 265 N.C. 482, 144 S.E.2d 419 (1965).

Incorporation of Provisions in City Code. — The city code of the city of Morganton, §§ 8-85 to 8-99, substantially incorporated the provisions of former §§ 160-183 to 160-189, the governing body of the city having found to exist therein the conditions specified in former § 160-182 as prerequisites to the adoption of an ordinance for the closing of a dwelling house unfit for human habitation. Dale v. City of Morganton, 270 N.C. 567, 155 S.E.2d 136 (1967).

Constitutionality. — It is not unconstitutional for a municipality to take upon itself a duty to see that repairs to buildings within its domain will be made in such manner as will prevent fire and structural hazards. This duty it is bound to exercise to protect the safety and health of the general public. To require a permit in order to implement such reasonable supervision is not in violation of any provision of the Constitution of the United States. Walker v. North Carolina, 262 F. Supp. 102 (W.D.N.C. 1966).

Where it appears from the findings of a city housing commission that a house can be repaired so as to comply with the city's housing code, be suitable for human habitation and be no longer a threat to public health, safety, morals or general welfare, to require its destruction, without giving the owner a reasonable opportunity thus to remove the existing threat to the public health, safety and welfare, is arbitrary and unreasonable. Such power may not be delegated to or exercised by a municipal corporation of this State by reason of N.C. Const., Art. I, § 19. Horton v. Gulledge, 277 N.C. 353, 177 S.E.2d 885 (1970).

Unconstitutional Action by Municipality. — An action by a municipality, pursuant to an ordinance adopted under the authority of former § 160-182, in ordering the demolition of a dwelling house without compensation to the owner thereof and in charging the expense of demolition to the owner upon his failure to demolish the house himself, such action being based upon findings by the city building inspector that the house was unfit for human habitation and that the repairs necessary to bring the house into conformity with the housing code would cost 60% or more of the present value of the house, was violative of the law of the land clause of the State Constitution, where (1) the house could be repaired so as to comply with the housing code and (2) the owner was not afforded a reasonable opportunity to repair the house. Horton v. Gulledge, 277 N.C. 353, 177 S.E.2d 885 (1970).

Alternative Remedy Proposal Not Required before Asserting Constitutional Right. — A homeowner who is faced with a municipal housing inspector's order giving him no alternative but to demolish his home that was declared uninhabitable by the municipality or to pay the expense of a demolition by the municipality, is not required to propose an alternative remedy for the condition of the house before asserting his constitutional right in the courts. Horton v. Gulledge, 277 N.C. 353, 177 S.E.2d 885 (1970).

Public Interference Warranted Only to Secure Public Safety or Protect Health. — The only warrant for public interference with a person's building is to secure public safety and to protect the health of those occupying the building. Horton v. Gulledge, 277 N.C. 353, 177 S.E.2d 885 (1970).

City May Not Destroy Private Property for Aesthetic Reasons Alone. — A municipal corporation has no inherent police power, but may exercise such power only to the extent that it has been conferred upon the city by statute. Obviously, the legislature cannot confer upon a city a power which the legislature, itself, does not have. Consequently, a city may not, under the guise of the police power, destroy private property for aesthetic reasons alone. Horton v. Gulledge, 277 N.C. 353, 177 S.E.2d 885 (1970).

Desirable as it might be from an aesthetic point of view to have public control of private buildings, the law does not permit an invasion of private rights on such grounds. Horton v. Gulledge, 277 N.C. 353, 177 S.E.2d 885 (1970).

Compensation to Owner Not Required. — It is quite true that the police power of the State, which it may delegate to its municipal corporation, extends to the prohibition of a use of private property which may reasonably be deemed to threaten the public health, safety, or morals or the general welfare, and that when necessary to safeguard such public interest, it may be exercised, without payment of compensation to the owner, even though the property is thereby rendered substantially worthless. Horton v. Gulledge, 277 N.C. 353, 177 S.E.2d 885 (1970).

§ 160A-442. Definitions. — The following terms shall have the meanings whenever used or referred to as indicated when used in this Part unless a different meaning clearly appears from the context:

(1) "City" means any incorporated city or any county.

(2) "Dwelling" means any building, or structure, or part thereof, used and occupied for human habitation or intended to be so used, and includes any outhouses and appurtenances belonging thereto or usually enjoyed therewith.

(3) "Governing body" means the council, board of commissioners, or other legislative body, charged with governing a city or county.

(4) "Owner" means the holder of the title in fee simple and every mortgagee of record.

(5) "Parties in interest" means all individuals, associations and corporations who have interests of record in a dwelling and any who are in possession thereof.

(6) "Public authority" means any housing authority or any officer who is in charge of any department or branch of the government of the city, county, or State relating to health, fire, building regulations, or other activities concerning dwellings in the city.

(7) "Public officer" means the officer or officers who are authorized by ordinances adopted hereunder to exercise the powers prescribed by the ordinances and by this Part. (1939, c. 287, s. 2; 1941, c. 140; 1953, c. 675, s. 29; 1961, c. 398, s. 1; 1969, c. 913, s. 2; 1971, c. 698, s. 1; 1973, c. 426, s. 60.)

Cited in Harrell v. City of Winston-Salem, 22 N.C. App. 386, 206 S.E.2d 802 (1974).

§ 160A-443. Ordinance authorized as to repair, closing and demolition; order of public officer. — Upon the adoption of an ordinance finding that dwelling conditions of the character described in G.S. 160A-441 exist within a city, the governing body of the city is hereby authorized to adopt and enforce ordinances relating to dwellings within the city's territorial jurisdiction that are unfit for human habitation. These ordinances shall include the following provisions:

(1) That a public officer be designated or appointed to exercise the powers prescribed by the ordinance.

(2) That whenever a petition is filed with the public officer by a public authority or by at least five residents of the city charging that any dwelling is unfit for human habitation or whenever it appears to the public officer (on his own motion) that any dwelling is unfit for human habitation, the public officer shall, if his preliminary investigation discloses a basis for such charges, issue and cause to be served upon the owner of and parties in interest in such dwellings a complaint stating the charges in that respect and containing a notice that a hearing will be held before the public officer (or his designated agent) at a place within the county in which the property is located fixed not less than 10 days nor more than 30 days after the serving of the complaint; that the owner and parties in interest shall be given the right file an answer to the complaint and to appear in person, or otherwise, and give testimony at the place and time fixed in the complaint; and that the rules of evidence prevailing in courts of law or equity shall not be controlling in hearings before the public officer.

(3) That if, after notice and hearing, the public officer determines that the dwelling under consideration is unfit for human habitation, he shall

state in writing his findings of fact in support of that determination and shall issue and cause to be served upon the owner thereof an order,

a. If the repair, alteration or improvement of the dwelling can be made at a reasonable cost in relation to the value of the dwelling (the ordinance of the city may fix a certain percentage of this value as being reasonable), requiring the owner, within the time specified, to repair, alter or improve the dwelling in order to render it fit for human habitation or to vacate and close the dwelling as a human habitation; or

b. If the repair, alteration or improvement of the dwelling cannot be made at a reasonable cost in relation to the value of the dwelling (the ordinance of the city may fix a certain percentage of this value as being reasonable), requiring the owner, within the time specified in the order, to remove or demolish such dwelling.

(4) That, if the owner fails to comply with an order to repair, alter or improve or to vacate and close the dwelling, the public officer may cause the dwelling to be repaired, altered or improved or to be vacated and closed; that the public officer may cause to be posted on the main entrance of any dwelling so closed, a placard with the following words: "This building is unfit for human habitation; the use or occupation of this building for human habitation is prohibited and unlawful." Occupation of a building so posted shall constitute a misdemeanor.

(5) That, if the owner fails to comply with an order to remove or demolish the dwelling, the public officer may cause such dwelling to be removed or demolished. The duties of the public officer set forth in subdivisions (4) and (5) shall not be exercised until the governing body shall have by ordinance ordered the public officer to proceed to effectuate the purpose of this Article with respect to the particular property or properties which the public officer shall have found to be unfit for human habitation and which property or properties shall be described in the ordinance. No such ordinance shall be adopted to require demolition of a dwelling until the owner has first been given a reasonable opportunity to bring it into conformity with the housing code. This ordinance shall be recorded in the office of the register of deeds in the county wherein the property or properties are located and shall be indexed in the name of the property owner in the grantor index.

(6) That the amount of the cost of repairs, alterations or improvements, or vacating and closing, or removal or demolition by the public officer shall be a lien against the real property upon which the cost was incurred, which lien shall be filed, have the same priority, and be collected as the lien for special assessment provided in Article 10 of this Chapter. If the dwelling is removed or demolished by the public officer, he shall sell the materials of the dwelling and shall credit the proceeds of the sale against the cost of the removal or demolition and any balance remaining shall be deposited in the superior court by the public officer, shall be secured in a manner directed by the court, and shall be disbursed by the court to the persons found to be entitled thereto by final order or decree of the court. Nothing in this section shall be construed to impair or limit in any way the power of the city to define and declare nuisances and to cause their removal or abatement by summary proceedings, or otherwise. (1939, c. 287, s. 3; 1969, c. 868, ss. 1, 2; c. 1065, s. 2; 1971, c. 698, s. 1; 1973, c. 426, s. 70.)

Cross Reference. — See Editor's note to § 160A-441.

Substantial compliance with the procedures required is a condition precedent to the authority of the city to forbid the use of a dwelling house for human habitation. Dale v. City of Morganton, 270 N.C. 567, 155 S.E.2d 136 (1967).

Variation in Wording of Notice. — The variation between the wording of a posted notice reading "This Building Is Unsafe, And Its Use For Occupancy Has Been Prohibited By The Building Official" and that notice prescribed by statute is not material. Dale v. City of Morganton, 270 N.C. 567, 155 S.E.2d 136 (1967).

Priority of Demolition Lien over Welfare Lien. — See opinion of Attorney General to Mr. Cicero P. Yow, Wilmington City Attorney, 40 N.C.A.G. 691 (1970); Mr. James C. Fox, New Hanover County Attorney, 40 N.C.A.G. 693 (1970).

Stated in Harrell v. City of Winston-Salem, 22 N.C. App. 386, 206 S.E.2d 802 (1974).

§ 160A-444. Standards. — An ordinance adopted by a city under this Part shall provide that the public officer may determine that a dwelling is unfit for human habitation if he finds that conditions exist in the dwelling that render it dangerous or injurious to the health, safety or morals of the occupants of the dwelling, the occupants of neighboring dwellings, or other residents of the city. Defective conditions may include the following (without limiting the generality of the foregoing): defects therein increasing the hazards of fire, accident, or other calamities; lack of adequate ventilation, light, or sanitary facilities; dilapidation; disrepair; structural defects; uncleanliness. The ordinances may provide additional standards to guide the public officers, or his agents, in determining the fitness of a dwelling for human habitation. (1939, c. 287, s. 4; 1971, c. 698, s. 1; 1973, c. 426, s. 60.)

§ 160A-445. Service of complaints and orders. — Complaints or orders issued by a public officer pursuant to an ordinance adopted under this Part shall be served upon persons either personally or by registered or certified mail. If the whereabouts of persons is unknown and cannot be ascertained by the public officer in the exercise of reasonable diligence, and the public officer makes an affidavit to that effect, then the serving of the complaint or order upon the persons may be made by publication in the manner prescribed in the Rules of Civil Procedure. When service is made by publication, a notice of the pending proceedings shall be posted in a conspicuous place on the premises thereby affected. (1939, c. 287, s. 5; 1965, c. 1055; 1969, c. 868, ss. 3, 4; 1971, c. 698, s. 1; 1973, c. 426, s. 60.)

Editor's Note. — The Rules of Civil Procedure are found in § 1A-1.

§ 160A-446. Remedies. — (a) The governing body may provide for the creation and organization of a housing appeals board to which appeals may be taken from any decision or order of the public officer, or may provide for such appeals to be heard and determined by its zoning board of adjustment.

(b) The housing appeals board, if created, shall consist of five members to serve for three-year staggered terms. It shall have the power to elect its own officers, to fix the times and places for its meetings, to adopt necessary rules of procedure, and to adopt other rules and regulations for the proper discharge of its duties. It shall keep an accurate record of all its proceedings.

(c) An appeal from any decision or order of the public officer may be taken by any person aggrieved thereby or by any officer, board or commission of the city. Any appeal from the public officer shall be taken within 10 days from the rendering of the decision or service of the order by filing with the public officer and with the board a notice of appeal which shall specify the grounds upon which the appeal is based. Upon the filing of any notice of appeal, the public officer shall forthwith transmit to the board all the papers constituting the record upon which the decision appealed from was made. When an appeal is from a decision of the public officer refusing to allow the person aggrieved thereby to do any act, his decision shall remain in force until modified or reversed. When any

appeal is from a decision of the public officer requiring the person aggrieved to do any act, the appeal shall have the effect of suspending the requirement until the hearing by the board, unless the public officer certifies to the board, after the notice of appeal is filed with him, that because of facts stated in the certificate (a copy of which shall be furnished the appellant), a suspension of his requirement would cause imminent peril to life or property. In that case the requirement shall not be suspended except by a restraining order, which may be granted for due cause shown upon not less than one day's written notice to the public officer, by the board, or by a court of record upon petition made pursuant to subsection (f) of this section.

(d) The appeals board shall fix a reasonable time for hearing appeals, shall give due notice to the parties, and shall render its decision within a reasonable time. Any party may appear in person or by agent or attorney. The board may reverse or affirm, wholly or partly, or or may modify the decision or order appealed from, and may make any decision and order that in its opinion ought to be made in the matter, and to that end it shall have all the powers of the public officer, but the concurring vote of four members of the board shall be necessary to reverse or modify any decision or order of the pub ic officer. The board shall have power also in passing upon appeals, when practical difficulties or unnecessary hardships would result from carrying out the strict letter of the ordinance, to adapt the application of the ordinance to the necessities of the case to the end that the spirit of the ordinance shall be observed, public safety and welfare secured, and substantial justice done.

(e) Every decision of the board shall be subject to review by proceedings in the nature of certiorari instituted within 15 days of the decision of the board, but not otherwise.

(f) Any person aggrieved by an order issued by the public officer or a decision rendered by the board may petition the superior court for an injunction restraining the public officer from carrying out the order or decision and the court may, upon such petition, issue a temporary injunction restraining the public officer pending a final disposition of the cause. The petition shall be filed within 30 days after issuance of the order or rendering of the decision. Hearings shall be had by the court on a petition within 20 days, and shall be given preference over other matters on the court's calendar. The court shall hear and determine the issues raised and shall enter such final order or decree as law and justice may require. It shall not be necessary to file bond in any amount before obtaining a temporary injunction under this subsection.

(g) If any dwelling is erected, constructed, altered, repaired, converted, maintained, or used in violation of this Part or of any ordinance or code adopted under authority of this Part or any valid order or decision of the public officer or board made pursuant to any ordinance or code adopted under authority of this Part, the public officer or board may institute any appropriate action or proceedings to prevent the unlawful erection, construction, reconstruction, alteration or use, to restrain, correct or abate the violation, to prevent the occupancy of the dwelling, or to prevent any illegal act, conduct or use in or about the premises of the dwelling. (1939, c. 287, s. 6; c. 386; 1969, c. 868, s. 5; 1971, c. 698, s. 1.)

Plaintiffs must exhaust the administrative remedies available to them, and they cannot be allowed to undermine the prescribed statutory procedure set forth in this section. Harrell v. City of Winston-Salem, 22 N.C. App. 386, 206 S.E.2d 802 (1974).

Purpose of writ of certiorari in subsection (e) is to bring the matter before the court, upon the evidence presented by the record itself. Axler v. City of Wilmington, 25 N.C. App. 110, 212 S.E.2d 511 (1975).

Purpose of restraining order authorized by subsection (f) is to protect an aggrieved party until there has been a final determination of a proceeding commenced under authority of the minimum housing standards of this Chapter. Axler v. City of Wilmington, 25 N.C. App. 110, 212 S.E.2d 511 (1975).

§ 160A-447. Compensation to owners of condemned property. — Nothing in this Part shall be construed as preventing the owner or owners of any property from receiving just compensation for the taking of property by the power of eminent domain under the laws of this State, nor as permitting any property to be comdemned or destroyed except in accordance with the police power of the State. (1939, c. 386; 1943, c. 196; 1971, c. 698, s. 1.)

§ 160A-448. Additional powers of public officer. — An ordinance adopted by the governing body of the city may authorize the public officer to exercise any powers necessary or convenient to carry out and effectuate the purpose and provisions of this Part, including the following powers in addition to others herein granted:

(1) To investigate the dwelling conditions in the city in order to determine which dwellings therein are unfit for human habitations;
(2) To administer oaths, affirmations, examine witnesses and receive evidence;
(3) To enter upon premises for the purpose of making examinations in a manner that will do the least possible inconvenience to the persons in possession;
(4) To appoint and fix the duties of officers, agents and employees necessary to carry out the purposes of the ordinances; and
(5) To delegate any of his functions and powers under the ordinance to other officers and other agents. (1939, c. 287, s. 7; 1971, c. 698, s. 1; 1973, c. 426, s. 60.)

§ 160A-449. Administration of ordinance. — The governing body of any city adopting an ordinance under this Part shall, as soon as possible thereafter, prepare an estimate of the annual expenses or costs to provide the equipment, personnel and supplies necessary for periodic examinations and investigations of the dwellings in the city for the purpose of determining the fitness of dwellings for human habitation, and for the enforcement and administration of its ordinances adopted under this Part. The city is authorized to make appropriations from its revenues necessary for this purpose and may accept and apply grants or donations to assist it in carrying out the provisions of the ordinances. (1939, c. 287, s. 8; 1971, c. 698, s. 1.)

§ 160A-450. Supplemental nature of Part. — Nothing in this Part shall be construed to abrogate or impair the powers of the courts or of any department of any city to enforce any provisions of its charter or its ordinances or regulations, nor to prevent or punish violations thereof; and the powers conferred by this Part shall be in addition and supplemental to the powers conferred by any other law. (1939, c. 287, s. 9; 1971, c. 698, s. 1.)

Part 7. Community Appearance Commissions.

§ 160A-451. Membership and appointment of commission; joint commission. — Each municipality and county in the State may create a special commission, to be known as the official appearance commission for the city or county. The commission shall consist of not less than seven nor more than 15 members, to be appointed by the governing body of the municipality or county for such terms, not to exceed four years, as the governing body may by ordinance provide. All members shall be residents of the municipality's or county's area of planning and zoning jurisdiction at the time of appointment. Where possible, appointments shall be made in such a manner as to maintain on the commission at all times a majority of members who have had special training or experience in a design field, such as architecture, landscape design, horticulture, city planning, or a closely related field. Members of the commission may be

reimbursed for actual expenses incidental to the performance of their duties within the limits of any funds available to the commission, but shall serve without pay unless otherwise provided in the ordinance establishing the commission. Membership of the commission is declared to be an office that may be held concurrently with any other elective or appointive office pursuant to Article VI, Sec. 9, of the Constitution.

A county and one or more cities in the county may establish a joint appearance commission. If a joint commission is established, the county and the city or cities involved shall determine the residence requirements for members of the joint commission. (1971, c. 896, s. 6; c. 1058; 1973, c. 426, s. 63.)

Editor's Note. — Sections 160A-451 to 160A-455 were enacted as §§ 160-181.11 to 160-181.15. They were transferred to their present position by Session Laws 1971, c. 896, s. 6.

§ 160A-452. Powers and duties of commission. — The commission, upon its appointment, shall make careful study of the visual problems and needs of the municipality or county within its area of zoning jurisdiction, and shall make any plans and carry out any programs that will, in accordance with the powers herein granted, enhance and improve the visual quality and aesthetic characteristics of the municipality or county. To this end, the governing board may confer upon the appearance commission the following powers and duties:

(1) To initiate, promote and assist in the implementation of programs of general community beautification in the municipality or county;

(2) To seek to coordinate the activities of individuals, agencies and organizations, public and private, whose plans, activities and programs bear upon the appearance of the municipality or county;

(3) To provide leadership and guidance in matters of area or community design and appearance to individuals, and to public and private organizations, and agencies;

(4) To make studies of the visual characteristics and problems of the municipality or county, including surveys and inventories of an appropriate nature, and to recommend standards and policies of design for the entire area, any portion or neighborhood thereof, or any project to be undertaken;

(5) To prepare both general and specific plans for the improved appearance of the municipality or county. These plans may include the entire area or any part thereof, and may include private as well as public property. The plans shall set forth desirable standards and goals for the aesthetic enhancement of the municipality or county or any part thereof within its area of planning and zoning jurisdiction, including public ways and areas, open spaces, and public and private buildings and projects;

(6) To participate, in any way deemed appropriate by the governing body of the municipality or county and specified in the ordinance establishing the commission, in the implementation of its plans. To this end, the governing body may include in the ordinance the following powers:

a. To request from the proper officials of any public agency or body, including agencies of the State and its political subdivisions, its plans for public buildings, facilities, or projects to be located within the municipality or its area of planning and zoning jurisdiction of the city or county.

b. To review these plans and to make recommendations regarding their aesthetic suitability to the appropriate agency, or to the municipal or county planning or governing board. All plans shall be reviewed by the commission in a prompt and expeditious manner, and all recommendations of the commission with regard to any public

project shall be made in writing. Copies of the recommendation shall be transmitted promptly to the planning or governing body of the city or county, and to the appropriate agency.

c. To formulate and recommend to the appropriate municipal planning or governing board the adoption or amendment of ordinances (including the zoning ordinance, subdivision regulations, and other local ordinances regulating the use of property) that will, in the opinion of the commission, serve to enhance the appearance of the municipality and its surrounding areas.

d. To direct the attention of city or county officials to needed enforcement of any ordinance that may in any way affect the appearance of the city or county.

e. To seek voluntary adherence to the standards and policies of its plans.

f. To enter, in the performance of its official duties and at reasonable times, upon private lands and make examinations or surveys.

g. To promote public interest in and an understanding of its recommendations, studies, and plans, and to that end to prepare, publish and distribute to the public such studies and reports as will, in the opinion of the commission, advance the cause of improved municipal or county appearance.

h. To conduct public meetings and hearings, giving reasonable notice to the public thereof. (1971, c. 896, s. 6; c. 1058.)

§ 160A-453. Staff services; advisory council. — The commission may recommend to the municipal or county governing board suitable arrangements for the procurement or provision of staff or technical services for the commission, and the governing board may appropriate such amount as it deems necessary to carry out the purposes for which it was created. The commission may establish an advisory council or other committees. (1971, c. 896, s. 6; c. 1058.)

§ 160A-454. Annual report. — The commission shall, no later than April 15 of each year, submit to the municipal or county governing body a written report of its activities, a statement of its expenditures to date for the current fiscal year, and its requested budget for the next fiscal year. All accounts and funds of the commission shall be administered substantially in accordance with the requirements of the Municipal Fiscal Control Act or the County Fiscal Control Act. (1971, c. 896, s. 6; c. 1058.)

§ 160A-455. Receipt and expenditure of funds. — The commission may receive contributions from private agencies, foundations, organizations, individuals, the State or federal government, or any other source, in addition to any sums appropriated for its use by the city or county governing body. It may accept and disburse these funds for any purpose within the scope of its authority as herein specified. All sums appropriated by the city or county to further the work and purposes of the commission are deemed to be for a public purpose. (1971, c. 896, s. 6; c. 1058; 1975, c. 664, s. 16.)

Editor's Note. — The 1975 amendment deleted "and a necessary expense" at the end of the last sentence.

Part 8. Community Development.

§ 160A-456. Community development programs and activities. — (a) Any city is authorized to engage in, to accept federal and State grants and loans for, and to appropriate and expend funds for community development programs and activities. In undertaking community development programs and activities, in addition to other authority granted by law, a city may engage in the following activities:

(1) Programs of assistance and financing of rehabilitation of private buildings principally for the benefit of low and moderate income persons, or for the restoration or preservation of older neighborhoods or properties, including direct repair, the making of grants or loans, the subsidization of interest payments on loans, and the guaranty of loans;

(2) Programs concerned with employment, economic development, crime prevention, child care, health, drug abuse, education, and welfare needs of persons of low and moderate income.

(b) Any city council may exercise directly those powers granted by law to municipal redevelopment commissions and those powers granted by law to municipal housing authorities. Any city council desiring to do so may delegate to any redevelopment commission or to any housing authority the responsibility of undertaking or carrying out any specified community development activities. Any city council and any board of county commissioners may by agreement undertake or carry out for each other any specified community development activities. Any city council may contract with any person, association, or corporation in undertaking any specified community development activities. Any county or city board of health, county board of social services, or county or city board of education, may by agreement undertake or carry out for any city council any specified community development activities.

(c) Any city council undertaking community development programs or activities may create one or more advisory committees to advise it and to make recommendations concerning such programs or activities.

(d) Any city council proposing to undertake any loan guaranty or similar program for rehabilitation of private buildings is authorized to submit to its voters the question whether such program shall be undertaken, such referendum to be conducted pursuant to the general and local laws applicable to special elections in such city.

(e) No state or local taxes shall be appropriated or expended by a city pursuant to this section for any purpose not expressly authorized by G.S. 160A-209, unless the same is first submitted to a vote of the people as therein provided. (1975, c. 435, s. 1; c. 689, s. 1.)

Editor's Note. — The 1975 amendment inserted "State or local" near the beginning of subsection (e).

§§ 160A-457 to 160A-459: Reserved for future codification purposes.

ARTICLE 20.

Interlocal Cooperation.

Part 1. Joint Exercise of Powers.

§ 160A-460. Definitions. — The words defined in this section shall have the meanings indicated when used in this Part:

(1) "Undertaking" means the joint exercise by two or more units of local government, or the contractual exercise by one unit for one or more other units, of any administrative or governmental power, function, public enterprise, right, privilege, or immunity of local government.
(2) "Unit," or "unit of local government" means a county, city, consolidated city-county, sanitary district, or other local political subdivision, authority, or agency of local government. (1971, c. 698, s. 1; 1975, c. 821, s. 4.)

Local Modification. — Cherokee, Graham, Jackson and Swain: 1973, c. 1406.

Cross References. — As to application of this Part to joint construction of buildings by counties, cities or other units of local government, see § 153A-164. As to authority of counties under this Part, see also § 153A-212. As to power of county to take action under the provisions of this Part, see § 153A-445.

Editor's Note. — The 1975 amendment inserted "public enterprise" near the end of subdivision (1).

Session Laws 1975, c. 821, s. 6, contains a severability clause.

§ 160A-461. Interlocal cooperation authorized. — Any unit of local government in this State and any one or more other units of local government in this State or any other state (to the extent permitted by the laws of the other state) may enter into contracts or agreements with each other in order to execute any undertaking. The contracts and agreements shall be of reasonable duration, as determined by the participating units, and shall be ratified by resolution of the governing board of each unit spread upon its minutes. (1971, c. 698, s. 1.)

§ 160A-462. Joint agencies. — (a) Units agreeing to an undertaking may establish a joint agency charged with any or all of the responsibility for the undertaking. The units may confer on the joint agency any power, duty, right, or function needed for the execution of the undertaking, except that legal title to all real property necessary to the undertaking shall be held by the participating units individually, or jointly as tenants in common, in such manner and proportion as they may determine.

(b) The participating units may appropriate funds to the joint agency on the basis of an annual budget recommended by the agency and submitted to the governing board of each unit for approval. (1971, c. 698, s. 1.)

§ 160A-463. Personnel. — (a) The units may agree that any joint agency established under G.S. 160A-462 shall appoint the officers, agents, and employees necessary to execute the undertaking, or that the units jointly shall appoint these personnel, or that one of the units shall appoint the personnel with their services contracted for by the other units or by the joint agency. If the units determine that one unit shall appoint the personnel, the agreement shall provide that the jurisdiction, authority, rights, privileges, and immunities (including coverage under the workmen's compensation laws) which the officers, agents, and employees of the appointing unit enjoy within the territory of that unit shall also be enjoyed by them outside its territory when they are acting pursuant to the agreement and within the scope of their authority or the course of their employment.

(b) When the subject of an undertaking is a sovereign function of government, the exercise of which has been delegated to an officer of each participating unit, the agreement may provide that one officer shall exercise the function for all the participating units, with all of the powers, duties, and obligations that an officer exercising the function in a single unit would have. (1971, c. 698, s. 1.)

§ 160A-464. Provisions of the agreement. — Any contract or agreement establishing an undertaking shall specify:

(1) The purpose or purposes of the contract or agreement;
(2) The duration of the agreement;

(3) If a joint agency is established, its composition, organization, and nature, together with the powers conferred on it;
(4) The manner of appointing the personnel necessary to the execution of the undertaking;
(5) The method of financing the undertaking, including the apportionment of costs and revenues;
(6) The formula for ownership of real property involved in the undertaking, and procedures for the disposition of such property when the contract or agreement expires or is terminated;
(7) Methods for amending the contract or agreement;
(8) Methods for terminating the contract or agreement;
(9) Any other necessary or proper matter. (1971, c. 698, s. 1.)

§ 160A-465. Exceptions. — This Part shall not apply to any undertaking any part of which is subject to approval by a department or agency of the State. (1971, c. 698, s. 1.)

§§ 160A-466 to 160A-469: Reserved for future codification purposes.

Part 2. Regional Councils of Governments.

§ 160A-470. Creation of regional councils; definition of "unit of local government". — (a) Any two or more units of local government may create a regional council of governments by adopting identical concurrent resolutions to that effect in accordance with the provisions and procedures of this Part. To the extent permitted by the laws of its state, a local government in a state adjoining North Carolina may participate in regional councils of governments organized under this Part to the same extent as if it were located in this State. The concurrent resolutions creating a regional council of governments, and any amendments thereto, will be referred to in this Part as the "charter" of the regional council.
(b) For the purposes of this Part, "unit of local government" means a county, city, or consolidated city-county. (1971, c. 698, s. 1; 1973, c. 426, s. 71.)

Cross Reference. — As to power of county to take action under the provisions of this Part, see § 153A-445.

§ 160A-471. Membership. — Each unit of local government initially adopting a concurrent resolution under G.S. 160A-470 shall become a member of the regional council. Thereafter, any local government may join the regional council by ratifying its charter and by being admitted by a majority vote of the existing members. All of the rights and privileges of membership in a regional council of governments shall be exercised on behalf of its member governments by their delegates to the council. (1971, c. 698, s. 1; 1973, c. 426, s. 72.)

§ 160A-472. Contents of charter. — The charter of a regional council of governments shall:
(1) Specify the name of the council;
(2) Establish the powers, duties, and functions that it may exercise and perform;
(3) Establish the number of delegates to represent the member governments, fix their terms of office, provide methods for filling vacancies, and prescribe the compensation and allowances, if any, to be paid to delegates;
(4) Set out the method of determining the financial support that will be given to the council by each member government;

(5) Establish a method for amending the charter, and for dissolving the council and liquidating its assets and liabilities.

In addition, the charter may, but need not, contain rules and regulations for the conduct of council business and any other matters pertaining to the organization, powers, and functioning of the council that the member governments deem appropriate. (1971, c. 698, s. 1.)

§ 160A-473. Organization of council. — Upon its creation, a regional council shall meet at a time and place agreed upon by its member governments and shall organize by electing a chairman and any other officers that the charter may specify or the delegates may deem advisable. The council shall then adopt bylaws for the conduct of its business. All meetings of the council shall be open to the public. (1971, c. 698, s. 1.)

§ 160A-474. Withdrawal from council. — Any member government may withdraw from a regional council at the end of any fiscal year by giving at least 60 days' written notice to each of the other members. Withdrawal of a member government shall not dissolve the council if at least two members remain. (1971, c. 698, s. 1.)

§ 160A-475. Specific powers of council. — The charter may confer on the regional council any of the following powers:

(1) To apply for, accept, receive, and dispense funds and grants made available to it by the State of North Carolina or any agency thereof, the United States of America or any agency thereof, any unit of local government (whether or not a member of the council), and any private or civic agency;
(2) To employ personnel;
(3) To contract with consultants;
(4) To contract with the State of North Carolina, any other state, the United States of America, or any agency thereof, for services;
(5) To study regional governmental problems, including matters affecting health, safety, welfare, education, recreation, economic conditions, regional planning, and regional development;
(6) To promote cooperative arrangements and coordinated action among its member governments;
(7) To make recommendations for review and action to its member governments and other public agencies which perform functions within the region in which its member governments are located;
(8) Any other powers that are exercised or capable of exercise by its member governments and desirable for dealing with problems of mutual concern to the extent such powers are specifically delegated to it from time to time by resolution of the governing board of each of its member governments which are affected thereby. (1971, c. 698, s. 1; 1975, c. 517, ss. 1, 2.)

Editor's Note. — The 1975 amendment substituted "dispense funds and grants" for "disburse funds, grants, and services" near the beginning of subdivision (1), and added at the end of subdivision (8) the language beginning "to the extent such powers are specifically delegated."

§ 160A-476. Fiscal affairs. — Each unit of local government having membership in a regional council may appropriate funds to the council from any legally available revenues. Services of personnel, use of equipment and office space, and other services may be made available to the council by its member governments as a part of their financial support. (1971, c. 698, s. 1; 1973, c. 426, s. 73.)

§ 160A-477. Reports. — Each regional council shall prepare and distribute to its member governments and to the public an annual report of its activities including a financial statement. (1971, c. 698, s. 1.)

§ 160A-478. Powers granted are supplementary. — The powers granted to cities and counties by this Article are supplementary to any powers heretofore or hereafter granted by any other general law, local act, or city charter for the same or similar purposes. (1971, c. 698, s. 1.)

§§ 160A-479 to 160A-484: Reserved for future codification purposes.

ARTICLE 21.

Miscellaneous.

§ 160A-485. Waiver of immunity through insurance purchase. — (a) Any city is authorized to waive its immunity from civil liability in tort by the act of purchasing liability insurance. Immunity shall be waived only to the extent that the city is indemnified by the insurance contract from tort liability. No formal action other than the purchase of liability insurance shall be required to waive tort immunity, and no city shall be deemed to have waived its tort immunity by any action other than the purchase of liability insurance.

(b) An insurance contract purchased pursuant to this section may cover such torts and such officials, employees, and agents of the city as the governing board may determine. The city may purchase one or more insurance contracts, each covering different torts or different officials, employees, or agents of the city. An insurer who issues a contract of insurance to a city pursuant to this section thereby waives any defense based upon the governmental immunity of the city, and any defense based upon lack of authority for the city to enter into the contract. Each city is authorized to pay the lawful premiums for insurance purchased pursuant to this section.

(c) Any plaintiff may maintain a tort claim against a city insured under this section in any court of competent jurisdiction. As to any such claim, to the extent that the city is insured against such claim pursuant to this section, governmental immunity shall be no defense. Except as expressly provided herein, nothing in this section shall be construed to deprive any city of any defense to any tort claim lodged against it, or to restrict, limit, or otherwise affect any defense that the city may have at common law or by virtue of any statute. Nothing in this section shall relieve a plaintiff from any duty to give notice of his claim to the city, or to commence his action within the applicable period of time limited by statute. No judgment may be entered against a city in excess of its insurance policy limits on any tort claim for which it would have been immune but for the purchase of liability insurance pursuant to this section. No judgment may be entered against a city on any tort claim for which it would have been immune but for the purchase of liability insurance pursuant to this section except a claim arising at a time when the city is insured under an insurance contract purchased and issued pursuant to this section. If, in the trial of any tort claim against a city for which it would have been immune but for the purchase of liability insurance pursuant to this section, a verdict is returned awarding damages to the plaintiff in excess of the insurance limits, the presiding judge shall reduce the award to the maximum policy limits before entering judgment.

(d) Except as otherwise provided in this section, tort claims against a city shall be governed by the North Carolina Rules of Civil Procedure. No document or exhibit which relates to or alleges facts as to the city's insurance against liability shall be read, exhibited, or mentioned in the presence of the trial jury in the trial of any claim brought pursuant to this section, nor shall the plaintiff, his counsel, or anyone testifying in his behalf directly or indirectly convey to the jury any

inference that the city's potential liability is covered by insurance. No judgment may be entered against the city unless the plaintiff waives his right to a jury trial on all issues of law or fact relating to insurance coverage. All issues relating to insurance coverage shall be heard and determined by the judge without resort to a jury. The jury shall be absent during all motions, arguments, testimony, or announcement of findings of fact or conclusions of law with respect to insurance coverage. The city may waive its right to have issues concerning insurance coverage determined by the judge without a jury, and may request a jury trial on these issues.

(e) Nothing in this section shall apply to any claim in tort against a city for which the city is not immune from liability under the statutes or common law of this State. (1951, c. 1015, ss. 1-5; 1971, c. 698, s. 1; 1975, c. 723.)

Editor's Note. — The 1975 amendment rewrote this section, which formerly provided only for waiver of immunity from liability for the negligent operation of motor vehicles.

The Rules of Civil Procedure are found in § 1A-1.

Many of the cases cited in the following note were decided under former §§ 160-191.1 to 160-191.5.

Common-Law Rule of Governmental Immunity. — Prior to the legislative enactment of these provisions, the common-law rule of governmental immunity prevailed in North Carolina. Under this common-law rule a municipality is not liable for the torts of its employees or agents committed while performing a governmental function. Galligan v. Town of Chapel Hill, 276 N.C. 172, 171 S.E.2d 427 (1970); Town of Hillsborough v. Smith, 10 N.C. App. 70, 178 S.E.2d 18 (1970).

Except where waived under authority of statute, the common-law rule of governmental immunity is still the law in North Carolina. Town of Hillsborough v. Smith, 10 N.C. App. 70, 178 S.E.2d 18 (1970).

In the absence of statutory authority a municipality has no power to waive its governmental immunity. Galligan v. Town of Chapel Hill, 276 N.C. 172, 171 S.E.2d 427 (1970).

A municipal corporation may not waive or contract away its governmental immunity in the absence of legislative authority for such action. Town of Hillsborough v. Smith, 10 N.C. App. 70, 178 S.E.2d 18 (1970).

Modification of Immunity Is Function of Legislature. — Although the doctrine of sovereign immunity was first adopted in North Carolina by the Supreme Court, this judicial doctrine is firmly established in law today, and by legislation has been recognized by the General Assembly as the public policy of the State. Any further modification or the repeal of the doctrine should come from the General Assembly, not the Supreme Court. Steelman v. City of New Bern, 279 N.C. 589, 184 S.E.2d 239 (1971).

Extent of Immunity under Former Law. — Prior to the 1975 amendment, this section authorized a waiver only in actions involving the operation of motor vehicles. The waiver did not cover maintenance of playground equipment. Rich v. City of Goldsboro, 282 N.C. 383, 192 S.E.2d 824 (1972).

Immunity Not Waived without Purchase of Insurance. — In the operation of a chemical fogging machine on a street or highway for the purpose of destroying insects, a municipality acts in a governmental capacity in the interest of the public health, and it may not be held liable in tort for injuries resulting therefrom unless it waives its immunity by procuring liability insurance, even though the operation of the machine renders a street or highway hazardous to traffic, since the exception to governmental immunity in failing to keep its streets in a reasonably safe condition relates solely to the maintenance and repair of its streets. Clark v. Scheld, 253 N.C. 732, 117 S.E.2d 838 (1961).

Where a municipal corporation procured liability insurance on a vehicle used in the operation of a chemical fogging machine, it waived its governmental immunity for the negligent operation of the vehicle to the extent of the amount of the liability insurance. White v. Mote, 270 N.C. 544, 155 S.E.2d 75 (1967).

Purchase of Liability Insurance Constitutes Waiver of Immunity in Absence of Affirmative Action. — In the absence of some affirmative action by a municipality, the purchase of liability insurance will constitute a waiver of its governmental immunity to the extent of the insurance policy so obtained. Galligan v. Town of Chapel Hill, 276 N.C. 172, 171 S.E.2d 427 (1970).

New Resolution against Waiver of Immunity Not Required Each Time Liability Insurance Acquired or Renewed. — To require a town to adopt a new resolution against waiver of immunity each time it renews a liability insurance policy or acquires a new liability policy would place an unnecessary and useless burden upon the town and impose a condition not provided for in former § 160-191.1 or contemplated by the General Assembly. Galligan v. Town of Chapel Hill, 276 N.C. 172, 171 S.E.2d 427 (1970).

Municipal Corporation Cannot Avoid Liability under This Section. — If a municipal corporation, having secured liability insurance, injured plaintiff by actionable negligence in the operation of its truck and fogging machine in exercising its legal right to destroy mosquitoes, it could not completely avoid liability to him by reason of the provisions of former §§ 160-191.1 to 160-191.5. Moore v. Town of Plymouth, 249 N.C. 423, 106 S.E.2d 695 (1959).

Operation of Public Library. — Former § 160-191.1 did not authorize or empower a municipality to waive its governmental immunity for injuries to a person proximately caused by its operation of a public library. Seibold v. City of Kinston, 268 N.C. 615, 151 S.E.2d 654 (1966).

§ 160A-486. Estimates of population. — When a city is not included in the most recent federal census of population, it shall be entitled to participate in all State-collected funds allocated to local governments wholly or partially on the basis of population by filing an estimate of the population of the city with the department or agency charged with the responsibility of distributing the funds. The estimate shall be approved by the city council and by the board of commissioners of the county or counties in which the city is located. When so approved, the estimate of population shall be deemed the official census of the city until the results of the next federal census of population are officially announced. All departments and agencies of the State charged with the responsibility of distributing funds to local governments are authorized and directed to accept estimates of population made pursuant to this section in distributing and allocating the funds. (1953, c. 79; 1969, c. 873; 1971, c. 698, s. 1.)

§ 160A-487. City and county financial support for rescue squads. — Each city and county is authorized to appropriate funds to rescue squads or teams to enable them to purchase and maintain rescue equipment and to finance the operation of the rescue squad either within or outside the boundaries of the city or county. (1959, c. 989; 1971, c. 698, s. 1.)

Cross Reference. — As to power of counties to take action under this section, see § 153A-445.

§ 160A-488. Art galleries and museums. — (a) Any city or county is authorized to establish and support a public art gallery, museum, or art center, or it may support or assist in supporting any art gallery, museum, or art center located within its boundaries and owned or operated by a nonprofit corporation so long as the facility is open to the public. As used in this section, "support" includes but is not limited to: acquisition, construction, and renovation of buildings, including acquisition of land and other property therefor; purchase of paintings and other works of art; purchase of materials and equipment; compensation of personnel; and all operating and maintenance expenses of the facility.

(b) For the purposes set forth in this section, a city or county may appropriate funds not otherwise limited as to use by law. (1955, c. 1338; 1961, c. 309; 1965, c. 1019; 1971, c. 698, s. 1; 1975, c. 664, s. 17.)

Cross Reference. — As to power of counties to take action under this section, see § 153A-445.

Editor's Note. — The 1975 amendment rewrote subsection (b).

§ 160A-489. Auditoriums, coliseums, and convention centers. — Any city is authorized to establish and support public auditoriums, coliseums, and convention centers. As used in this section, "support" includes but is not limited to: acquisition, construction, and renovation of buildings and acquisition of the necessary land and other property therefor; purchase of equipment;

compensation of personnel; and all operating and maintenance expenses of the facility. For the purposes set forth in this section, a city may appropriate funds not otherwise limited as to use by law. (1971, c. 698, s. 1; 1975, c. 664, s. 18.)

Cross Reference. — As to power of counties to take action under this section, see § 153A-445.

Editor's Note. — The 1975 amendment substituted the present third sentence for the former third and fourth sentences, which related to voter approval for the use of certain funds.

This section does not confer implied authority to engage in the restaurant business or any municipal corporation or other governmental unit of a county. Smith v. County of Mecklenburg, 280 N.C. 497, 187 S.E.2d 67 (1972).

§ 160A-490. Photographic reproduction of records. — All cities shall be subject to the provisions of Article 2A of Chapter 153 of the General Statutes (G.S. 153-15.1 through 153-15.6). When a county officer is designated by title in that Article, the designation shall be construed to mean the appropriate city officer, and the city council shall perform powers and duties conferred and imposed on the board of county commissioners. (1955, c. 451; 1971, c. 698, s. 1.)

Editor's Note. — Chapter 153 was repealed by Session Laws 1973, c. 822.

§ 160A-491. Powers in connection with beach erosion. — [All cities shall have the power] to levy taxes and appropriate tax or nontax funds for the acquisition, construction, reconstruction, extension, maintenance, improvement, or enlargement of groins, jetties, dikes, moles, walls, sand dunes, vegetation, or other types of works or improvements which are designed for the control of beach erosion or for protection from hurricane floods and for the preservation or restoration of facilities or natural features which afford protection to the beaches or other land areas of the municipalities or to the life and property thereon. (1971, c. 896, s. 5; c. 1159, s. 2.)

Editor's Note. — This section was originally codified as subdivision (48) of § 160-200. It was transferred to its present position by Session Laws 1971, c. 896, s. 5.

§ 160A-492. Human relations, community action and manpower development programs. — The governing body of any city, town, or county is hereby authorized to undertake, and to expend tax or nontax funds for, human relations, community action and manpower development programs. In undertaking and engaging in such programs, the governing body may enter into contracts with and accept loans and grants from the State or federal governments. The governing body may appoint such human relations, community action and manpower development committees or boards and citizens' committees, as it may deem necessary in carrying out such programs and activities, and may authorize the employment of personnel by such committees or boards, and may establish their duties, responsibilities, and powers. The cities and counties may jointly undertake any program or activity which they are authorized to undertake by this section. The expenses of undertaking and engaging in the human relations, community action and manpower development programs and activities authorized by this section are declared to be necessary expenses for which funds derived from taxation may be expended without the necessity of prior approval of the voters.

For the purposes of this section, a "human relations program" shall be defined as one devoted to the study of problems in the area of human relations, or to the promotion of equality of opportunity for all citizens, or to the promotion of understanding, respect and goodwill among all citizens, or to the provision of

channels of communication among the races, or to encourage the employment of qualified people without regard to race, or to encourage youth to become better trained and qualified for employment. (1971, c. 896, s. 11; c. 1207, ss. 1, 2; 1973, c. 641.)

Editor's Note. — This section was originally codified as subdivision (51) of § 160-200. It was transferred to its present position by Session Laws 1971, c. 896, s. 11.

§ 160A-493. Animal shelters. — A city may establish, equip, operate, and maintain an animal shelter or may contribute to the support of an animal shelter, and for these purposes may appropriate funds not otherwise limited as to use by law. (1973, c. 426, s. 73.1.)

§ 160A-494. Drug abuse programs. — Any city may provide for the prevention and treatment of narcotic, barbituric and other types of drug abuse and addiction through education, medication, medical care, hospitalization, and outpatient housing, and may appropriate the necessary funds therefor. (1973, c. 608.)

§ 160A-495. Appropriations for establishment, etc., of local government center in Raleigh. — Counties, cities and towns are hereby authorized to appropriate money for payment to their respective instrumentalities, the North Carolina Association of County Commissioners and the North Carolina League of Municipalities for the purpose of financing the cost, in whole or in part, of purchasing, constructing, equipping, maintaining and operating a local government center in the City of Raleigh to serve as permanent headquarters for said organizations. (1973, c. 1131.)

§ 160A-496. Incorporation of local acts into charter. — (a) A city may from time to time require the city attorney to present to the council any local acts relating to the property, affairs, and government of the city and not part of the city's charter which the city attorney recommends be incorporated into the charter. In his recommendations, the city attorney may include suggestions for renumbering or rearranging the provisions of the charter and other local acts, for providing catchlines, and for any other modifications in arrangement or form that do not change the provisions themselves of the charter or local acts and that may be necessary to effect an orderly incorporation of local acts into the charter.

(b) After considering the recommendations of the attorney, the council may by ordinance direct the incorporation of any such local acts into the charter.

(c) For purposes of this section, "charter" means that local act of the General Assembly or action of the Municipal Board of Control incorporating a city or a later local act that includes provisions expressly denominated the city's "charter," plus any other local acts inserted therein pursuant to this section or a comparable provision of a local act. (1975, c. 156.)

§§ 160A-497 to 160A-499: Reserved for future codification purposes.

ARTICLE 22.

Urban Redevelopment Law.

§ 160A-500. Short title. — This Article shall be known and may be cited as the "Urban Redevelopment Law." (1951, c. 1095, s. 1; 1973, c. 426, s. 75.)

Editor's Note. — Sections 160A-500 through 160A-505 and 160A-506 through 160A-526 were originally codified as §§ 160-454 through 160-474.2. They were transferred to their present position by Session Laws 1973, c. 426, s. 75.

For comment on the public purpose doctrine, see 3 Wake Forest Intra. L. Rev. 37 (1967).

Constitutionality. — The Urban Redevelopment Law does not confer any illegal delegation of legislative power in violation of N.C. Const., Art. II, § 1. Redevelopment Comm'n v. Security Nat'l Bank, 252 N.C. 595, 114 S.E.2d 688 (1960); Horton v. Redevelopment Comm'n, 259 N.C. 605, 131 S.E.2d 464 (1963).

The Urban Redevelopment Law is a constitutional delegation of power by the State to municipal corporations. Horton v. Redevelopment Comm'n, 259 N.C. 605, 131 S.E.2d 464 (1963).

Codemnation of blighted and slum areas within a municipality for redevelopment under safeguards to prevent such areas from reverting to slum areas is in the interest of the public health, safety, morals and welfare, and therefore such condemnation is for a public use and is not a taking of private property in violation of N.C. Const., Art. I § 1 or § 19. Redevelopment Comm'n v. Security Nat'l Bank, 252 N.C. 595, 114 S.E.2d 688 (1960).

The ultimate result which the Urban Redevelopment Law seeks to achieve is to eliminate the injurious consequences caused by a blighted area in a municipality and to substitute for them a use of the area which it is hoped will render impossible future blight and its injurious consequences. This is, in its broad purpose, a preventive measure. Horton v. Redevelopment Comm'n, 259 N.C. 605, 131 S.E.2d 464 (1963).

The constitutionality of this Article has been upheld by the Supreme Court. Horton v. Redevelopment Comm'n, 262 N.C. 306, 137 S.E.2d 115 (1964).

The General Assembly has prescribed a definite and adequate guide, and the governing body of the municipality in creating or not creating a redevelopment commission cannot act "in its absolute or unguided discretion." Redevelopment Comm'n v. Security Nat'l Bank, 252 N.C. 595, 114 S.E.2d 688 (1960).

Wisdom of Article a Legislative Question. — It may be that the urban redevelopment project may prove eventually to be a disappointment, and is ill advised, but the wisdom of the enactment is a legislative and not a judicial question. Horton v. Redevelopment Comm'n, 259 N.C. 605, 131 S.E.2d 464 (1963).

Redevelopment Expenses Not "Necessary Expenses". — The expenses incurred, or to be incurred, by a municipality in putting into effect an urban redevelopment plan, pursuant to the authority vested in it by the Urban Redevelopment Law, were not "necessary expenses" for which taxes might be levied and bonds issued without a vote of the people under former Art. VII, § 6, Const. 1868, as amended in 1962. Horton v. Redevelopment Comm'n, 259 N.C. 605, 131 S.E.2d 464 (1963).

A redevelopment commission is a municipal corporation and exempt from ad valorem taxation. Redevelopment Comm'n v. Guilford County, 1 N.C. App. 512, 162 S.E.2d 108 (1968).

A redevelopment commission is a municipal corporation for the purpose of tax exemption. Redevelopment Comm'n v. Guilford County, 274 N.C. 585, 164 S.E.2d 476 (1968).

A redevelopment commission, just as any other municipal corporation, is to be taxed for property held by it for purposes other than governmental. Redevelopment Comm'n v. Guilford County, 1 N.C. App. 512, 162 S.E.2d 108 (1968).

Properties owned by a redevelopment commission, both improved and unimproved, from which income is being derived are subject to ad valorem taxes. It is only the nonincome-producing properties, both improved and unimproved, which are to be exempt from taxation. Redevelopment Comm'n v. Guilford County, 1 N.C. App. 512, 162 S.E.2d 108 (1968).

Sufficiency of Condemnation Petition. — A petition to condemn land for urban renewal is sufficient under the Rules of Civil Procedure to state a claim for relief, where it gives notice of the nature and basis of the petitioners' claim and the type of case brought, and alleges generally the occurrence or performance of the conditions precedent required by Chapter 160, Article 37 (now Chapter 160A, Article 11), and Chapter 40, Article 2. Redevelopment Comm'n v. Grimes, 277 N.C. 634, 178 S.E.2d 345 (1971).

A redevelopment commission must exercise the power of eminent domain pursuant to Chapter 160, Article 37 (now Chapter 160A, Article 11), and Chapter 40, Article 2, and in order to invoke this power the redevelopment commission must affirmatively allege compliance with the statutory requirements. Redevelopment Comm'n v. Grimes, 277 N.C. 634, 178 S.E.2d 345 (1971).

Applied in Gastonia Redevelopment Comm'n v. Coxco, Inc., 21 N.C. App. 335, 204 S.E.2d 211 (1974).

§ 160A-501. Findings and declaration of policy. — It is hereby determined and declared as a matter of legislative finding:

(1) That there exist in urban communities in this State blighted areas as defined herein.

(2) That such areas are economic or social liabilities, inimical and injurious to the public health, safety, morals and welfare of the residents of the State, harmful to the social and economic well-being of the entire communities in which they exist, depreciating values therein, reducing tax revenues, and thereby depreciating further the general community-wide values.

(3) That the existence of such areas contributes substantially and increasingly to the spread of disease and crime, necessitating excessive and disproportionate expenditures of public funds for the preservation of the public health and safety, for crime prevention, correction, prosecution, punishment and the treatment of juvenile delinquency and for the maintenance of adequate police, fire and accident protection and other public services and facilities, constitutes an economic and social liability, substantially impairs or arrests the sound growth of communities.

(4) That the foregoing conditions are beyond remedy or control entirely by regulatory processes in the exercise of the police power and cannot be effectively dealt with by private enterprise under existing law without the additional aids herein granted.

(5) That the acquisition, preparation, sale, sound replanning, and redevelopment of such areas in accordance with sound and approved plans for their redevelopment will promote the public health, safety, convenience and welfare.

Therefore, it is hereby declared to be the policy of the State of North Carolina to promote the health, safety, and welfare of the inhabitants thereof by the creation of bodies corporate and politic to be known as redevelopment commissions, which shall exist and operate for the public purposes of acquiring and replanning such areas and of holding or disposing of them in such manner that they shall become available for economically and socially sound redevelopment. Such purposes are hereby declared to be public uses for which public money may be spent, and private property may be acquired by the exercise of the power of eminent domain. (1951, c. 1095, s. 2; 1973, c. 426, s. 75.)

Quoted in Redevelopment Comm'n v. Security Nat'l Bank, 252 N.C. 595, 114 S.E.2d 688 (1960).

§ 160A-502. Additional findings and declaration of policy. — It is further determined and declared as a matter of legislative finding:

(1) That the cities of North Carolina constitute important assets for the State and its citizens; that the preservation of the cities and of urban life against physical, social, and other hazards is vital to the safety, health, and welfare of the citizens of the State, and sound urban development in the future is essential to the continued economic development of North Carolina, and that the creation, existence, and growth of substandard areas present substantial hazards to the cities of the State, to urban life, and to sound future urban development.

(2) That blight exists in commercial and industrial areas as well as in residential areas, in the form of dilapidated, deteriorated, poorly ventilated, obsolete, overcrowded, unsanitary, or unsafe buildings, inadequate and unsafe streets, inadequate lots, and other conditions detrimental to the sound growth of the community; that the presence of such conditions tends to depress the value of neighboring properties, to impair the tax base of the community, and to inhibit private efforts to rehabilitate or improve other structures in the area; and that the acquisition, preparation, sale, sound replanning and redevelopment of

such areas in accordance with sound and approved plans will promote the public health, safety, convenience and welfare.

(3) That not only is it in the interest of the public health, safety, convenience and welfare to eliminate existing substandard areas of all types, but it is also in the public interest and less costly to the community to prevent the creation of new blighted areas or the expansion of existing blighted areas; that vigorous enforcement of municipal and State building standards, sound planning of new community facilities, public acquisition of dilapidated, obsolescent buildings, and other municipal action can aid in preventing the creation of new blighted areas or the expansion of existing blighted areas; and that rehabilitation, conservation, and reconditioning of areas in accordance with sound and approved plans, where, in the absence of such action, there is a clear and present danger that the area will become blighted, will protect and promote the public health, safety, convenience and welfare.

Therefore it is hereby declared to be the policy of the State of North Carolina to protect and promote the health, safety, and welfare of the inhabitants of its urban areas by authorizing redevelopment commissions to undertake nonresidential redevelopment in accord with sound and approved plans and to undertake the rehabilitation, conservation, and reconditioning of areas where, in the absence of such action, there is a clear and present danger that the area will become blighted. (1961, c. 837, s. 1; 1973, c. 426, s. 75.)

§ 160A-503. Definitions. — The following terms where used in this Article, shall have the following meanings, except where the context clearly indicates a different meaning:

(1) "Area of operation" — The area within the territorial boundaries of the city or county for which a particular commission is created.

(2) "Blighted area" shall mean an area in which there is a predominance of buildings or improvements (or which is predominantly residential in character), and which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, unsanitary or unsafe conditions, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs the sound growth of the community, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency and crime, and is detrimental to the public health, safety, morals or welfare; provided, no area shall be considered a blighted area nor subject to the power of eminent domain, within the meaning of this Article, unless it is determined by the planning commission that at least two thirds of the number of buildings within the area are of the character described in this subdivision and substantially contribute to the conditions making such area a blighted area; provided that if the power of eminent domain shall be exercised under the provisions of this Article, the property owner or owners or persons having an interest in property shall be entitled to be represented by counsel of their own selection and their reasonable counsel fees fixed by the court, taxed as a part of the costs and paid by the petitioners.

(3) "Bonds" — Any bonds, interim certificates, notes, debentures or other obligations of a commission issued pursuant to this Article.

(4) "City" — Any city or town. "The city" shall mean the particular city for which a particular commission is created.

(5) "Commission" or "redevelopment commission" — A public body and a body corporate and politic created and organized in accordance with the provisions of this Article.

(6) "Field of operation" — The area within the territorial boundaries of the city for which a particular commission is created.
(7) "Governing body" — In the case of a city or town, the city council or other legislative body. The board of county commissioners.
(8) "Government" — Includes the State and federal governments or any subdivision, agency or instrumentality corporate or otherwise of either of them.
(9) "Municipality" — Any incorporated city or town, or any county.
(10) "Nonresidential redevelopment area" shall mean an area in which there is a predominance of buildings or improvements, whose use is predominantly nonresidential, and which, by reason of:
a. Dilapidation, deterioration, age or obsolescence of buildings and other structures,
b. Inadequate provisions for ventilation, light, air, sanitation or open spaces,
c. Defective or inadequate street layout,
d. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness,
e. Tax or special assessment delinquency exceeding the fair value of the property,
f. Unsanitary or unsafe conditions,
g. The existence of conditions which endanger life or property by fire and other causes, or
h. Any combination of such factors
1. Substantially impairs the sound growth of the community,
2. Has seriously adverse effects on surrounding development, and
3. Is detrimental to the public health, safety, morals or welfare; provided, no such area shall be considered a nonresidential redevelopment area nor subject to the power of eminent domain, within the meaning of this Article, unless it is determined by the planning commission that at least one half of the number of buildings within the area are of the character described in this subdivision and substantially contribute to the conditions making such area a nonresidential redevelopment area; provided that if the power of eminent domain shall be exercised under the provisions of this Article, the property owner or owners or persons having an interest in property shall be entitled to be represented by counsel of their own selection and their reasonable counsel fees fixed by the court, taxed as a part of the costs and paid by the petitioners.
(11) "Obligee of the commission" or "obligee" — Any bondholder, trustee or trustees for any bondholders, any lessor demising property to a commission used in connection with a redevelopment project, or any assignees of such lessor's interest, or any part thereof, and the federal government, when it is a party to any contract with a commission.
(12) "Planning commission" — Any planning commission established by ordinance for a municipality of this State. "The planning commission" shall mean the particular planning commission of the city or town in which a particular commission operates.
(13) "Real property" — Lands, lands under water, structures and any and all easements, franchises and incorporeal hereditaments and every estate and right therein, legal and equitable, including terms for years and liens by way of judgment, mortgage or otherwise.
(14) "Redeveloper" — Any individual, partnership or public or private corporation that shall enter or propose to enter into a contract with a

commission for the redevelopment of an area under the provisions of this Article.

(15) "Redevelopment" — The acquisition, replanning, clearance, rehabilitation or rebuilding of an area for residential, recreational, commercial, industrial or other purposes, including the provision of streets, utilities, parks, recreational areas and other open spaces; provided, without limiting the generality thereof, the term "redevelopment" may include a program of repair and rehabilitation of buildings and other improvements, and may include the exercise of any powers under this Article with respect to the area for which such program is undertaken.

(16) "Redevelopment area" — Any area which a planning commission may find to be

a. A blighted area because of the conditions enumerated in subdivision (2) of this section;

b. A nonresidential redevelopment area because of conditions enumerated in subdivision (10) of this section;

c. A rehabilitation, conservation, and reconditioning area within the meaning of subdivision (21) of this section;

d. Any combination thereof, so as to require redevelopment under the provisions of this Article.

(17) "Redevelopment contract" — A contract between a commission and a redeveloper for the redevelopment of an area under the provisions of this Article.

(18) "Redevelopment plan" — A plan for the redevelopment of a redevelopment area made by a "commission" in accordance with the provisions of this Article.

(19) "Redevelopment project" shall mean any work or undertaking:

a. To acquire blighted or nonresidential redevelopment areas or portions thereof, or individual tracts in rehabilitation, conservation, and reconditioning areas, including lands, structures, or improvements, the acquisition of which is necessary or incidental to the proper clearance, development, or redevelopment of such areas or to the prevention of the spread or recurrence of conditions of blight;

b. To clear any such areas by demolition or removal of existing buildings, structures, streets, utilities or other improvements thereon and to install, construct, or reconstruct streets, utilities, and site improvements essential to the preparation of sites for uses in accordance with the redevelopment plan;

c. To sell land in such areas for residential, recreational, commercial, industrial or other use or for the public use to the highest bidder as herein set out or to retain such land for public use, in accordance with the redevelopment plan;

d. To carry out plans for a program of voluntary or compulsory repair, rehabilitation, or reconditioning of buildings or other improvements in such areas.

The term "redevelopment project" may also include the preparation of a redevelopment plan, the planning, survey and other work incident to a redevelopment project, and the preparation of all plans and arrangements for carrying out a redevelopment project.

(20) "Redevelopment proposal" — A proposal, including supporting data and the form of a redevelopment contract for the redevelopment of all or any part of a redevelopment area.

(21) "Rehabilitation, conservation, and reconditioning area" shall mean any area which the planning commission shall find, by reason of factors

listed in subdivision (2) or subdivision (10), to be subject to a clear and present danger that, in the absence of municipal action to rehabilitate, conserve, and recondition the area, it will become in the reasonably foreseeable future a blighted area or a nonresidential redevelopment area as defined herein. In such an area, no individual tract, building, or improvement shall be subject to the power of eminent domain, within the meaning of this Article, unless it is of the character described in subdivision (2) or subdivision (10) and substantially contributes to the conditions endangering the area; provided that if the power of eminent domain shall be exercised under the provisions of this Article, the respondent or respondents shall be entitled to be represented by counsel of their own selection and their reasonable counsel fees fixed by the court, taxed as part of the costs and paid by the petitioners. (1951, c. 1095, s. 3; 1957, c. 502, ss. 1-3; 1961, c. 837, ss. 2, 3, 4, 6; 1967, c. 1249; 1969, c. 1208, s. 1; 1973, c. 426, s. 75.)

Opinion of Attorney General. — Mr. William I. Cochran, Jr., Executive Director, Redevelopment Commission of the City of Washington, 40 N.C.A.G. 637 (1969).

Areas which are in fact "blighted" cannot be enlarged to include areas which are not in fact "blighted." Any other conclusion would vest a redevelopment commission with authority which the legislature has expressly denied it. Horton v. Redevelopment Comm'n, 264 N.C. 1, 140 S.E.2d 728 (1965).

The legislature never intended to permit a planning commission or a redevelopment commission to include within the boundaries of a "blighted area" an area not meeting the statutory definition, even though the area might qualify as a nonresidential area, or as a rehabilitation, conservation and reconditioning area. Horton v. Redevelopment Comm'n, 264 N.C. 1, 140 S.E.2d 728 (1965).

But Conditions May Be Corrected in Redevelopment Area Embracing Blighted and Other Defined Areas. — A planning commission may correct objectionable conditions within a redevelopment area, consisting of a blighted area, a nonresidential redevelopment area, and a rehabilitation, conservation and reconditioning area. Horton v. Redevelopment Comm'n, 264 N.C. 1, 140 S.E.2d 728 (1965).

Property Must Be "Blighted" and Endanger Area for Condemnation in Rehabilitation, Conservation and Reconditioning Area. — In a "rehabilitation, conservation and reconditioning area," no individual tract, building or improvement shall be subject to the power of eminent domain, within the meaning of the Urban Redevelopment Law (§ 160A-500 et seq.), unless it is "blighted" property and substantially contributes to the condition endangering the area. Horton v. Redevelopment Comm'n, 262 N.C. 306, 137 S.E.2d 115 (1964).

A trial court erred in dismissing an action to condemn land for urban renewal where there was no finding that the redevelopment commission failed to comply with the statutory procedures prerequisite to an exercise of the power of eminent domain by it, and there was no allegation, proof, or finding that the redevelopment commission arbitrarily abused its discretion or acted in bad faith in selecting the area in question. Redevelopment Comm'n v. Grimes, 277 N.C. 634, 178 S.E.2d 345 (1971).

The court's findings that the property of respondents does not lie within a blighted area or within a nonresidential redevelopment area as defined in subdivision (2) is an insufficient basis for dismissal of the action. Redevelopment Comm'n v. Grimes, 277 N.C. 634, 178 S.E.2d 345 (1971).

The term "municipality" or "municipal corporation" has been defined as any incorporated city, town or village, or a county. Sides v. Cabarrus Mem. Hosp., 22 N.C. App. 117, 205 S.E.2d 784 (1974).

The term "municipal corporation" should not be construed narrowly to include only cities, towns, counties and school districts, but in its broader sense the term includes all public corporations exercising governmental functions within constitutional limitations. Sides v. Cabarrus Mem. Hosp., 22 N.C. App. 117, 205 S.E.2d 784 (1974).

A municipal corporation, city or town, is an agency created by the State to assist in the civil government of a designated territory and the people embraced within these limits. Sides v. Cabarrus Mem. Hosp., 22 N.C. App. 117, 205 S.E.2d 784 (1974).

A municipal corporation must have a public purpose and be invested with a governmental function. Sides v. Cabarrus Mem. Hosp., 22 N.C. App. 117, 205 S.E.2d 784 (1974).

Counsel Fees Provision of Subdivision (10) Helps Equalize Bargaining Power. — Subdivision (10), conferring power of eminent domain upon urban redevelopment commissions, provides that the commission pay counsel fees for the property owner when it is necessary to condemn his property. Such a provision grants more freedom to the property owner to contest

condemnation proceedings as it permits him to receive the award for his property, even after legal action, without having it reduced by the payment of attorney fees. It helps to equalize the bargaining power of the property owner and the commission and prevent insofar as possible any undue economic pressures. Redevelopment Comm'n v. Hyder, 20 N.C. App. 241, 201 S.E.2d 236 (1973).

Control over the amount of the attorney's fees allowed is found in the requirement that such counsel fees are to be fixed by the court and are to be reasonable in amount. Redevelopment Comm'n v. Hyder, 20 N.C. App. 241, 201 S.E.2d 236 (1973).

Allowance of attorneys' fees under subdivision (10)h3 is by the court, and is not affected by the existence of contracts for fees between counsel and their landowner clients. Redevelopment Comm'n v. Hyder, 20 N.C. App. 241, 201 S.E.2d 236 (1973).

Determination of Reasonable Counsel Fees. — Reasonable counsel fees in subdivision (10)h3 may be determined in part by the amount of the verdict obtained in the condemnation proceeding in the light of the proposals made to the property owner prior to his employment of an attorney. Redevelopment Comm'n v. Hyder, 20 N.C. App. 241, 201 S.E.2d 236 (1973).

The results obtained by an attorney are a legitimate consideration in determining the amount of his fee. Redevelopment Comm'n v. Hyder, 20 N.C. App. 241, 201 S.E.2d 236 (1973).

Payment of Fee Must Be Commensurate with Services Performed. — There is no uncertainty under subdivision (10)h3 about the payment of an attorney fee commensurate with the services performed. Redevelopment Comm'n v. Hyder, 20 N.C. App. 241, 201 S.E.2d 236 (1973).

Award Is Not Contingent Fee. — When a statute, such as this section, provides for attorney fees to be awarded as a part of the costs to be paid by the governmental authority which is appropriating the property, it is not a contingent fee, but an amount equal to the actual reasonable value of the attorney's services. Redevelopment Comm'n v. Hyder, 20 N.C. App. 241, 201 S.E.2d 236 (1973).

Whether there was any recovery or not, counsel for the property owner is entitled to a reasonable fee, and it should not be set upon the basis of a contingency which did not exist. Redevelopment Comm'n v. Hyder, 20 N.C. App. 241, 201 S.E.2d 236 (1973).

The element of risk in connection with the contingent fee justifies a much larger fee when the litigation is successfully terminated, but in eminent domain takings under subdivision (10)h3, there is no such risk, and the court must take this lack of risk into account. Redevelopment Comm'n v. Hyder, 20 N.C. App. 241, 201 S.E.2d 236 (1973).

Applied in Greensboro v. Wall, 247 N.C. 516, 101 S.E.2d 413 (1958).

Cited in Housing Auth. v. Farabee, 17 N.C. App. 431, 194 S.E.2d 553 (1973).

§ 160A-504. Formation of commissions. — (a) Each municipality, as defined herein, is hereby authorized to create separate and distinct bodies corporate and politic to be known as the redevelopment commission of the municipality by the passage by the governing body of such municipality of an ordinance or resolution creating a commission to function within the territorial limits of said municipality. Notice of the intent to consider the passage of such a resolution or ordinance shall be published at least 10 days prior to the meeting.

(b) The governing body of a municipality shall not adopt a resolution pursuant to subsection (a) above unless it finds:

(1) That blighted areas (as herein defined) exist in such municipality, and

(2) That the redevelopment of such areas is necessary in the interest of the public health, safety, morals or welfare of the residents of such municipality.

(c) The governing body shall cause a certified copy of such ordinance or resolution to be filed in the office of the Secretary of State; upon receipt of the said certificate the Secretary of State shall issue a certificate of incorporation.

(d) In any suit, action or proceeding involving or relating to the validity or enforcement of any contract or act of a commission, a copy of the certificate of incorporation duly certified by the Secretary of State shall be admissible in evidence and shall be conclusive proof of the legal establishment of the commission. (1951, c. 1095, s. 4; 1973, c. 426, s. 75.)

Applied in Redevelopment Comm'n v. Grimes, 277 N.C. 634, 178 S.E.2d 345 (1971).

§ 160A-505. Alternative organization. — (a) In lieu of creating a redevelopment commission as authorized herein, the governing body of any municipality may, if it deems wise, either designate a housing authority created under the provisions of Chapter 157 of the General Statutes to exercise the powers, duties, and responsibilities of a redevelopment commission as prescribed herein, or undertake to exercise such powers, duties, and responsibilities itself. Any such designation shall be by passage of a resolution adopted in accordance with the procedure and pursuant to the findings specified in G.S. 160A-504(a) and (b). In the event a governing body designates itself to perform the powers, duties, and responsibilities of a redevelopment commission, then where any act or proceeding is required to be done, recommended, or approved both by a redevelopment commission and by the municipal governing body, then the performance, recommendation, or approval thereof once by the municipal governing body shall be sufficient to make such performance, recommendation, or approval valid and legal. In the event a municipal governing body designates itself to exercise the powers, duties, and responsibilities of a redevelopment commission, it may assign the administration of redevelopment policies, programs and plans to any existing or new department of the municipality.

(b) The governing body of any municipality which has prior to July 1, 1969, created, or which may hereafter create, a redevelopment commission may, in its discretion, by resolution abolish such redevelopment commission, such abolition to be effective on a day set in such resolution not less than 90 days after its adoption. Upon the adoption of such a resolution, the redevelopment commission of the municipality is hereby authorized and directed to take such actions and to execute such documents as will carry into effect the provisions and the intent of the resolution, and as will effectively transfer its authority, responsibilities, obligations, personnel, and property, both real and personal, to the municipality. Any municipality which abolishes a redevelopment commission pursuant to this subsection may, at any time subsequent to such abolition or concurrently therewith, exercise the authority granted by subsection (a) of this section.

On the day set in the resolution of the governing body:

(1) The redevelopment commission shall cease to exist as a body politic and corporate and as a public body;

(2) All property, real and personal and mixed, belonging to the redevelopment commission shall vest in, belong to, and be the property of the municipality;

(3) All judgments, liens, rights of liens, and causes of action of any nature in favor of the redevelopment commission shall remain, vest in, and inure to the benefit of the municipality;

(4) All rentals, taxes, assessments, and any other funds, charges or fees, owing to the redevelopment commission shall be owed to and collected by the municipality;

(5) Any actions, suits, and proceedings pending against, or having been instituted by the redevelopment commission shall not be abated by such abolition, but all such actions, suits, and proceedings shall be continued and completed in the same manner as if abolition had not occurred, and the municipality shall be a party to all such actions, suits, and proceedings in the place and stead of the redevelopment commission and shall pay or cause to be paid any judgment rendered against the redevelopment commission in any such actions, suits, or proceedings, and no new process need be served in any such action, suit, or proceeding;

(6) All obligations of the redevelopment commission, including outstanding indebtedness, shall be assumed by the municipality, and all such obligations and outstanding indebtedness shall be constituted obligations and indebtedness of the municipality;

(7) All ordinances, rules, regulations and policies of the redevelopment commission shall continue in full force and effect until repealed or amended by the governing body of the municipality.

(c) Where the governing body of any municipality has in its discretion, by resolution abolished a redevelopment commission, pursuant to subsection (b) above, the governing body of such municipality may, at any time subsequent to the passage of a resolution abolishing a redevelopment commission, or concurrently therewith, by the passage of a resolution adopted in accordance with the procedures and pursuant to the findings specified in G.S. 160A-504(a) and (b), designate an existing housing authority created pursuant to Chapter 157 of the General Statutes to exercise the powers, duties, and responsibilities of a redevelopment commission. Where the governing body of any municipality designates, pursuant to this subsection, an existing housing authority created pursuant to Chapter 157 of the General Statutes to exercise the powers, duties, and responsibilities of a redevelopment commission, on the day set in the resolution of the governing body passed pursuant to subsection (b) of this section, or pursuant to subsection (c) of this section:

(1) The redevelopment commission shall cease to exist as a body politic and corporate and as a public body;

(2) All property, real and personal and mixed, belonging to the redevelopment commission or to the municipality as hereinabove provided in subsections (a) or (b), shall vest in, belong to, and be the property of the existing housing authority of the municipality;

(3) All judgments, liens, rights of liens, and causes of action of any nature in favor of the redevelopment commission or in favor of the municipality as hereinabove provided in subsections (a) or (b), shall remain, vest in, and inure to the benefit of the existing housing authority of the municipality;

(4) All rentals, taxes, assessments, and any other funds, charges or fees owing to the redevelopment commission, or owing to the municipality as hereinabove provided in subsections (a) or (b), shall be owed to and collected by the existing housing authority of the municipality;

(5) Any actions, suits, and proceedings pending against or having been instituted by the redevelopment commission, or the municipality, or to which the municipality has become a party, as hereinabove provided in subsections (a) or (b), shall not be abated by such abolition but all such actions, suits, and proceedings shall be continued and completed in the same manner as if abolition had not occurred, and the existing housing authority of the municipality shall be a party to all such actions, suits, and proceedings in the place and stead of the redevelopment commission, or the municipality, and shall pay or cause to be paid any judgments rendered in such actions, suits, or proceedings, and no new processes need be served in such action, suit, or proceeding;

(6) All obligations of the redevelopment commission, or the municipality as hereinabove provided in subsections (a) or (b), including outstanding indebtedness, shall be assumed by the existing housing authority of the municipality; and all such obligations and outstanding indebtedness shall be constituted obligations and indebtedness of the existing housing authority of the municipality.

(7) All ordinances, rules, regulations, and policies of the redevelopment commission, or of the municipality as hereinabove provided in subsections (a) or (b), shall continue in full force and effect until

repealed and amended by the existing housing authority of the municipality.

(d) A housing authority designated by the governing body of any municipality to exercise the powers, duties and responsibilities of a redevelopment commission shall, when exercising the same, do so in accordance with Article 22 of Chapter 160A of the General Statutes. Otherwise the housing authority shall continue to exercise the powers, duties and responsibilities of a housing authority in accordance with Chapter 157 of the General Statutes. (1969, c. 1217, s. 1; 1971, c. 116, ss. 1, 2; 1973, c. 426, s. 75.)

§ 160A-505.1. Commission budgeting and accounting systems as a part of municipality budgeting and accounting systems. — The governing body of a municipality may by resolution provide that the budgeting and accounting systems of the municipality's redevelopment commission or, if the municipality's housing authority is exercising the powers, duties, and responsibilities of a redevelopment commission, the budgeting and accounting systems of the housing authority, shall be an integral part of the budgeting and accounting systems of the municipality. If such a resolution is adopted:

(1) For purposes of the Local Government Budget and Fiscal Control Act, the commission or authority shall not be considered a "public authority," as that phrase is defined in G.S. 159-7(b), but rather shall be considered a department or agency of the municipality. The operations of the commission or authority shall be budgeted and accounted for as if the operations were those of a public enterprise of the municipality.

(2) The budget of the commission or authority shall be prepared and submitted in the same manner and according to the same procedures as are the budgets of other departments and agencies of the municipality; and the budget ordinance of the municipality shall provide for the operations of the commission or authority.

(3) The budget officer and finance officer of the municipality shall administer and control that portion of the municipality's budget ordinance relating to the operations of the commission or authority. (1971, c. 780, s. 37.2; 1973, c. 474, s. 30.)

§ 160A-506. Creation of a county redevelopment commission. — If the board of county commissioners of a county by resolution declares that blighted areas do exist in said county, and the redevelopment of such areas is necessary in the interest of public health, safety, morals, or welfare of the residents of such county, the county commissioners of said county are hereby authorized to create a separate and distinct body corporate and politic to be known as the redevelopment commission of said county by passing a resolution to create such a commission to function in the territorial limits of said county. Provided, however, that notice of the intent to consider passage of such a resolution or ordinance shall be published at least 10 days prior to the meeting of the board of county commissioners for such purposes, and further provided that the redevelopment commission shall not function in an area where such a commission exists or in the corporate limits of a municipality without resolution of agreement by said municipality.

All of the provisions of Article 22, Chapter 160A of the General Statutes, shall be applicable to county redevelopment commissions, including the formation, appointment, tenure, compensation, organization, interest and powers as specified therein. (1969, c. 1208, s. 2; 1973, c. 426, s. 75.)

§ 160A-507. Creation of a regional redevelopment commission. — If the board of county commissioners of two or more contiguous counties by resolution declare that blighted areas do exist in said counties and the redevelopment of such areas is necessary in the interest of public health, morals, or welfare of

the residents of such counties, the county commissioners of said counties are hereby authorized to create a separate and distinct body corporate and politic to be known as the regional redevelopment commission by the passage of a resolution by each county to create such a commission to function in the territorial limits of the counties; provided, however, that notice of the intent to consider passage of such a resolution or ordinance shall be published at least 10 days prior to the meeting of the board of county commissioners for such purposes, and further provided that the redevelopment commission shall not function in an area where such a commission exists or in the corporate limits of a municipality without resolution of agreement by the municpality.

The board of county commissioners of each county included in the regional redevelopment commission shall appoint one person as a commissioner and such a person may be appointed at or after the time of the adoption of the resolution creating the redevelopment commission. The board of county commissioners shall have the authority to appoint successors or to remove persons for misconduct who are appointed by them. Each commissioner to the redevelopment commission shall serve for a five-year term except that initial appointments may be for less time in order to establish a fair donation system of appointments. In the event that a regional redevelopment commission shall have an even number of counties, the Governor of North Carolina shall appoint a member to the commission from the area to be served. The appointed members as commissioners shall constitute the regional redevelopment commission and certification of appointment shall be filed with the Secretary of State as part of the application for charter.

All provisions of the "Urban Redevelopment Law" as defined in Article 22 of Chapter 160A of the General Statutes, shall apply to the creation and operation of a regional redevelopment commission, and where reference is made to municipality, it shall be interpreted to apply to the area served by the regional redevelopment commission. (1969, c. 1208, s. 3; 1973, c. 426, s. 75.)

§ 160A-507.1. Creation of a joint county-city redevelopment commission. — A county and one or more cities within the county are hereby authorized to create a separate and distinct body corporate and politic to be known as the joint redevelopment commission by the passage of a resolution by the board of county commissioners and the governing body of one or more cities within the county creating such a commission to function within the territorial limits of such participating units of government; provided, however, that notice of the intent to consider passage of such a resolution or ordinance shall be published at least 10 days prior to the meeting of the affected governing boards for such purposes, and further provided that a joint redevelopment commission created hereunder shall have authority to operate in an area where there presently exists a redevelopment commission upon the approval of the municipality or county concerned. The governing body of each participating local government shall appoint one or more commissioners as such governing bodies shall determine; such persons may be appointed at or after the time of adoption of the resolution creating the joint redevelopment commission. The appointing authority shall have the authority to appoint successors or to remove persons for misfeasance, malfeasance or nonfeasance who are appointed by them. Each commissioner shall serve for a term designated by the governing bodies of not less than one nor more than five years. The appointed members as commissioners shall constitute the joint redevelopment commission and certification of appointment shall be filed with the Secretary of State as part of the application for charter.

All provisions of the "Urban Redevelopment Law" as defined in Article 22 of Chapter 160A of the General Statutes shall apply to the creation and operation of a joint redevelopment commission and where reference is made to municipality, it shall be interpreted to apply to the units of government creating a joint redevelopment commission. (1975, c. 407.)

§ 160A-508. Appointment and qualifications of members of commission. — Upon certification of a resolution declaring the need for a commission to operate in a city or town, the mayor and governing board thereof, respectively, shall appoint, as members of the commission, not less than five nor more than nine citizens who shall be residents of the city or town in which the commission is to operate. The governing body may at any time by resolution or ordinance increase or decrease the membership of a commission, within the limitations herein prescribed. (1951, c. 1095, s. 5; 1971, c. 362, ss. 6, 7; 1973, c. 426, s. 75.)

Local Modification. — City of Sanford: 1973, c. 990.

§ 160A-509. Tenure and compensation of members of commission. — The mayor and governing body shall designate overlapping terms of not less than one nor more than five years for the members who are first appointed. Thereafter, the term of office shall be five years. A member shall hold office until his successor has been appointed and qualified. Vacancies for the unexpired terms shall be promptly filled by the mayor and governing body. A member shall receive such compensation, if any, as the municipal governing board may provide for this service, and shall be entitled within the budget appropriation to the necessary expenses, including traveling expenses, incurred in the discharge of his duties. (1951, c. 1095, s. 6; 1967, c. 932, s. 4; 1971, c. 362, s. 8; 1973, c. 426, s. 75.)

§ 160A-510. Organization of commission. — The members of a commission shall select from among themselves a chairman, a vice-chairman, and such other officers as the commission may determine. A commission may employ a secretary, its own counsel, and such technical experts, and such other agents and employees, permanent or temporary, as it may require, and may determine the qualifications and fix the compensation of such persons. A majority of the members shall constitute a quorum for its meeting. Members shall not be liable personally on the bonds or other obligations of the commission, and the rights of creditors shall be solely against such commission. A commission may delegate to one or more of its members, agents or employees such of its powers as it shall deem necessary to carry out the purposes of this Article, subject always to the supervision and control of the commission. For inefficiency or neglect of duty or misconduct in office, a commissioner of a commission may be removed by the governing body, but a commissioner shall be removed only after a hearing and after he shall have been given a copy of the charges at least 10 days prior to such hearing and have had an opportunity to be heard in person or by counsel. (1951, c. 1095, s. 7; 1971, c. 362, s. 9; 1973, c. 426, s. 75.)

§ 160A-511. Interest of members or employees. — No member or employee of a commission shall acquire any interest, direct or indirect, in any redevelopment project or in any property included or planned to be included in any redevelopment area, or in any area which he may have reason to believe may be certified to be a redevelopment area, nor shall he have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used by a commission, or in any contract with a redeveloper or prospective redeveloper relating, directly or indirectly, to any redevelopment project. The acquisition of any such interest in a redevelopment project or in any such property or contract shall constitute misconduct in office. If any member or employee of a commission shall have already owned or controlled within the preceding two years any interest, direct or indirect, in any property later included or planned to be included in any redevelopment project, under the jurisdiction of the commission, or has any such interest in any contract for material or services to be furnished or used in connection with any

redevelopment project, he shall disclose the same in writing to the commission and to the local governing body, and such disclosure shall be entered in writing upon the minute books of the commission. Failure to make such disclosure shall constitute misconduct in office. (1951, c. 1095, s. 8; 1973, c. 426, s. 75.)

Applicable to Member's Lease of Building in Redevelopment Project. — See opinion of Attorney General to Mr. Miles B. Fowler, 42 N.C.A.G. 197 (1973).

§ 160A-512. Powers of commission. — A commission shall constitute a public body, corporate and politic, exercising public and essential governmental powers, which powers shall include all powers necessary or appropriate to carry out and effectuate the purposes and provisions of this Article, including the following powers in addition to those herein otherwise granted:

(1) To procure from the planning commission the designation of areas in need of redevelopment and its recommendation for such redevelopment;

(2) To cooperate with any government or municipality as herein defined;

(3) To act as agent of the State or federal government or any of its instrumentalities or agencies for the public purposes set out in this Article;

(4) To prepare or cause to be prepared and recommend redevelopment plans to the governing body of the municipality and to undertake and carry out "redevelopment projects" within its area of operation;

(5) Subject to the provisions of G.S. 160A-514(b) to arrange or contract for the furnishing or repair, by any person or agency, public or private, of services, privileges, works, streets, roads, public utilities or other facilities for or in connection with a redevelopment project; and (notwithstanding anything to the contrary contained in this Article or any other provision of law), to agree to any conditions that it may deem reasonable and appropriate attached to federal financial assistance and imposed pursuant to federal law relating to the determination of prevailing salaries or wages or compliance with labor standards, in the undertaking or carrying out of a redevelopment project, and to include in any contract let in connection with such a project, provisions to fulfill such of said conditions as it may deem reasonable and appropriate;

(6) Within its area of operation, to purchase, obtain options upon, acquire by gift, grant, bequest, devise, eminent domain or otherwise, any real or personal property or any interest therein, together with any improvements thereon, necessary or incidental to a redevelopment project; to hold, improve, clear or prepare for redevelopment any such property, and notwithstanding the provisions of G.S. 160-59 but subject to the provisions of G.S. 160A-514, and with the approval of the local governing body sell, exchange, transfer, assign, subdivide, retain for its own use, mortgage, pledge, hypothecate or otherwise encumber or dispose of any real or personal property or any interest therein, either as an entirety to a single "redeveloper" or in parts to several redevelopers; provided that the commission finds that the sale or other transfer of any such part will not be prejudicial to the sale of other parts of the redevelopment area, nor in any other way prejudicial to the realization of the redevelopment plan approved by the governing body; to enter into contracts with "redevelopers" of property containing covenants, restrictions, and conditions regarding the use of such property for residential, commercial, industrial, recreational purposes or for public purposes in accordance with the redevelopment plan and such other covenants, restrictions and conditions as the commission may deem necessary to prevent a recurrence of blighted areas or to

effectuate the purposes of this Article; to make any of the covenants, restrictions or conditions of the foregoing contracts covenants running with the land, and to provide appropriate remedies for any breach of any such covenants or conditions, including the right to terminate such contracts and any interest in the property created pursuant thereto; to borrow money and issue bonds therefor and provide security for bonds; to insure or provide for the insurance of any real or personal property or operations of the commission against any risks or hazards, including the power to pay premiums on any such insurance; and to enter into any contracts necessary to effectuate the purposes of this Article;

(7) To invest any funds held in reserves or sinking funds or any funds not required for immediate disbursements, in such investments as may be lawful for guardians, executors, administrators or other fiduciaries under the laws of this State; to redeem its bonds at the redemption price established therein or to purchase its bonds at less than redemption price, all bonds so redeemed or purchased to be cancelled;

(8) To borrow money and to apply for and accept advances, loans evidenced by bonds, grants, contributions and any other form of financial assistance from the federal government, the State, county, municipality or other public body or from any sources, public or private for the purposes of this Article, to give such security as may be required and to enter into and carry out contracts in connection therewith; and, notwithstanding the provisions of any other law, may include in any contract for financial assistance with the federal government for a redevelopment project such conditions imposed pursuant to federal law as the commission may deem reasonable and appropriate and which are not inconsistent with the purposes of this Article;

(9) Acting through one or more commissioners or other persons designated by the commission, to conduct examinations and investigations and to hear testimony and take proof under oath at public or private hearings on any matter material for its information; to administer oaths, issue subpoenas requiring the attendance of witnesses or the production of books and papers;

(10) Within its area of operation, to make or have made all surveys, studies and plans (but not including the preparation of a general plan for the community) necessary to the carrying out of the purposes of this Article and in connection therewith to enter into or upon any land, building, or improvement thereon for such purposes and to make soundings, test borings, surveys, appraisals and other preliminary studies and investigations necessary to carry out its powers but such entry shall constitute no cause of action for trespass in favor of the owner of such land, building, or improvement except for injuries resulting from negligence, wantonness or malice; and to contract or cooperate with any and all persons or agencies public or private, in the making and carrying out of such surveys, appraisals, studies and plans.

A redevelopment commission is hereby specifically authorized to make (i) plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements and (ii) plans for the enforcement of laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements. The redevelopment commission is further authorized to develop, test and report methods and techniques, and carry out demonstrations and other activities, for the prevention and elimination of slums and urban blight.

(11) To make such expenditures as may be necessary to carry out the purposes of this Article; and to make expenditures from funds obtained from the federal government;
(12) To sue and be sued;
(13) To adopt a seal;
(14) To have perpetual succession;
(15) To make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the commission; and any contract or instrument when signed by the chairman or vice-chairman and secretary or assistant secretary, or, treasurer or assistant treasurer of the commission shall be held to have been properly executed for and on its behalf;
(16) To make and from time to time amend and repeal bylaws, rules, regulations and resolutions;
(17) To make available to the government or municipality or any appropriate agency, board or commission, the recommendations of the commission affecting any area in its field of operation or property therein, which it may deem likely to promote the public health, morals, safety or welfare;
(18) To perform redevelopment project undertakings and activities in one or more contiguous or noncontiguous redevelopment areas which are planned and carried out on the basis of annual increments. (1951, c. 1095, s. 9; 1961, c. 837, ss. 5, 7; 1969, c. 254, s. 1; 1973, c. 426, s. 75.)

Editor's Note. — Section 160-59, referred to in subdivision (6) of this section, was repealed by Session Laws 1971, c. 698, s. 2. For present provisions as to sale of municipal property, see §§ 160A-266 to 160A-276.

Strict Construction. — Statutes prescribing the procedure to condemn lands should be strictly construed. Redevelopment Comm'n v. Grimes, 8 N.C. App. 376, 174 S.E.2d 839 (1970).

Sufficiency of Condemnation Petition. — A petition to condemn land for urban renewal is sufficient under the Rules of Civil Procedure to state a claim for relief, where it gives notice of the nature and basis of the petitioners' claim and the type of case brought, and alleges generally the occurrence or performance of the conditions precedent required by Chapter 160, Article 37 (now Chapter 160A, Article 11), and Chapter 40, Article 2. Redevelopment Comm'n v. Grimes, 277 N.C. 634, 178 S.E.2d 345 (1971).

A redevelopment commission must exercise the power of eminent domain pursuant to Chapter 160, Article 37 (now Chapter 160A, Article 11), and Chapter 40, Article 2, and in order to invoke this power the redevelopment commission must affirmatively allege compliance with the statutory requirements. Redevelopment Comm'n v. Grimes, 277 N.C. 634, 178 S.E.2d 345 (1971).

Necessary Facts Must Be Alleged in Each Separate Proceeding. — If a redevelopment commission elects to institute a separate and distinct proceeding for each parcel of land taken, it must, in each instance, allege all the facts necessary to justify the taking. Redevelopment Comm'n v. Hagins, 258 N.C. 220, 128 S.E.2d 391 (1962).

But Owners of Different Tracts May Be Joined in One Proceeding. — Where it is sought to condemn several tracts of land belonging to different owners, all the owners may be joined in one proceeding, in the absence of any statutory provision to the contrary. Such a course is convenient, and can injure no one if damages are separately assessed to each owner. Redevelopment Comm'n v. Hagins, 258 N.C. 220, 128 S.E.2d 391 (1962).

Each owner is entitled to defend upon the ground his property does not qualify for the purpose intended, or that its selection was the result of arbitrary or capricious conduct on the part of the taking agency. Redevelopment Comm'n v. Hagins, 258 N.C. 220, 128 S.E.2d 391 (1962).

Selection as to Route, Quantity, etc., Is Largely Discretionary. — Where the general power to condemn exists, the right of selection as to route, quantity, etc., is left largely to the discretion of the company or corporation, and does not become the subject of judicial inquiry except on allegations of fact tending to show bad faith on the part of the company or corporation or an oppressive and manifest abuse of the discretion conferred upon them by the law. Redevelopment Comm'n v. Grimes, 277 N.C. 634, 178 S.E.2d 345 (1971).

Area to Be Redeveloped May Contain Vacant Lands or Inoffensive Structures. — The fact that some of the lands in an area to be redeveloped under redevelopment laws are vacant lands or contain structures in themselves

inoffensive or innocuous does not invalidate the taking of the property, or invalidate the statute so permitting, according to the form of the contention in the particular case, usually on the ground that the action was justified as a necessary concomitant area, as compared to structure-by-structure rehabilitation. Redevelopment Comm'n v. Grimes, 277 N.C. 634, 178 S.E.2d 345 (1971).

Procedure to Acquire Property When Redevelopment Corporation and Landowner Unable to Agree. — When a redevelopment corporation, possessing the power of eminent domain under this section, is unable to agree with the owner for the purchase of property required for its purposes, the procedure to acquire the property is by a special proceeding as provided in Chapter 40, Article 2, except as modified by the provision of § 160A-515. Redevelopment Comm'n v. Grimes, 8 N.C. App. 376, 174 S.E.2d 839 (1970).

The rule allowing evidence of value at times before or after the taking is analogous to the rule which allows evidence of the purchase price paid for property sometime prior to the date of taking. Wilson Redevelopment Comm'n v. Stewart, 3 N.C. App. 271, 164 S.E.2d 495 (1968).

Determining Fair Market Value. — In determining the fair market value of property taken in condemnation, it is generally regarded as competent to show the value of the property within a reasonable time before and/or after the taking as bearing upon its value at the time of the appropriation. The rule is necessarily one of variableness in the time limits, depending upon the nature of the property, its location and surrounding circumstances, and whether the evidence offered fairly points to its value at the time in question. Wilson Redevelopment Comm'n v. Stewart, 3 N.C. App. 271, 164 S.E.2d 495 (1968).

In determining whether evidence of the value at sometime prior to the taking is admissible to show fair market value at the time of the taking, the inquiry is whether under all the circumstances that appraisal fairly points to the value of the property at the time of the taking. Wilson Redevelopment Comm'n v. Stewart, 3 N.C. App. 271, 164 S.E.2d 495 (1968).

Sales prices of nearby property are admissible on cross-examination to test the witness' knowledge of values and for the purposes of impeachment. Wilson Redevelopment Comm'n v. Stewart, 3 N.C. App. 271, 164 S.E.2d 495 (1968).

It would seem that the utmost freedom of cross-examination with reference to sales and sales prices in the vicinity should be accorded the landowner, subject to the right and duty of the presiding judge to exercise his sound discretion in controlling the nature and scope of the cross-examination in the interest of justice and in confining the testimony within the rules of competency, relevancy and materiality. it follows that the condemnor should be accorded similar freedom. Wilson Redevelopment Comm'n v. Stewart, 3 N.C. App. 271, 164 S.E.2d 495 (1968).

A trial court erred in dismissing an action to condemn land for urban renewal where there was no finding that the redevelopment commission failed to comply with the statutory procedures prerequisite to an exercise of the power of eminent domain by it, and there was no allegation, proof or finding that the redevelopment commission arbitrarily abused its discretion or acted in bad faith in selecting the area in question. Redevelopment Comm'n v. Grimes, 277 N.C. 634, 178 S.E.2d 345 (1971).

The court's findings that the property of respondents does not lie within a blighted area or a nonresidential redevelopment area, as defined in § 160A-503, is an insufficient basis for dismissal of the action. Redevelopment Comm'n v. Grimes, 277 N.C. 634, 178 S.E.2d 345 (1971).

Role of Judicial Review Limited. — In determining whether a particular area may legally be selected for redevelopment, either under the terms of this statute, or in terms of the requirement that the particular project serve a "public use," the role of judicial review is severely limited by the rule that the finding of the redevelopment authority, or similar administrative agency, that a particular area is "blighted," that redevelopment serves a "public use," or the like, is not generally reviewable, unless fraudulent or capricious, or, in some instances, unless the evidence against the finding is overwhelming. Redevelopment Comm'n v. Grimes, 277 N.C. 634, 178 S.E.2d 345 (1971).

§ 160A-513. Preparation and adoption of redevelopment plans. — (a) A commission shall prepare a redevelopment plan for any area certified by the planning commission to be a redevelopment area. A redevelopment plan shall be sufficiently complete to indicate its relationship to definite local objectives as to appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities and other public improvements and the proposed land uses and building requirements in the redevelopment project area.

(b) The planning commission's certification of a redevelopment area shall be made in conformance with its comprehensive general plan, if any (which may include, inter alia, a plan of major traffic arteries and terminals and a land use plan and projected population densities) for the area.

(c) A commission shall not acquire real property for a development project unless the governing body of the community in which the redevelopment project area is located has approved the redevelopment plan, as hereinafter prescribed; provided, however, that the commission may acquire, through negotiation, specific pieces of property in the redevelopment area prior to the approval of such plan when the governing body finds that advance acquisition of such properties is in the public interest and specifically approves such action.

(d) The redevelopment commission's redevelopment plan shall include, without being limited to, the following:

(1) The boundaries of the area, with a map showing the existing uses of the real property therein;

(2) A land use plan of the area showing proposed uses following redevelopment;

(3) Standards of population densities, land coverage and building intensities in the proposed redevelopment;

(4) A preliminary site plan of the area;

(5) A statement of the proposed changes, if any, in zoning ordinances or maps;

(6) A statement of any proposed changes in street layouts or street levels;

(7) A statement of the estimated cost and method of financing redevelopment under the plan; provided, that where redevelopment activities are performed on the basis of annual increments, such statement to be sufficient shall set forth a schedule of the activities proposed to be undertaken during the incremental period, together with a statement of the estimated cost and method of financing such scheduled activities only;

(8) A statement of such continuing controls as may be deemed necessary to effectuate the purposes of this Article;

(9) A statement of a feasible method proposed for the relocation of the families displaced.

(e) The commission shall hold a public hearing prior to its final determination of the redevelopment plan. Notice of such hearing shall be given once a week for two successive calendar weeks in a newspaper published in the municipality, or if there be no newspaper published in the municipality, by posting such notice at four public places in the municipality, said notice to be published the first time or posted not less than 15 days prior to the date fixed for said hearing.

(f) The commission shall submit the redevelopment plan to the planning commission for review. The planning commission, shall, within 45 days, certify to the redevelopment commission its recommendation on the redevelopment plan, either of approval, rejection or modification, and in the latter event, specify the changes recommended.

(g) Upon receipt of the planning commission's recommendation, or at the expiration of 45 days, if no recommendation is made by the planning commission, the commission shall submit to the governing body the redevelopment plan with the recommendation, if any, of the planning commission thereon. Prior to recommending a redevelopment plan to the governing body for approval, the commission shall consider whether the proposed land uses and building requirements in the redevelopment project area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted and harmonious development of the community and its environs, which will in accordance with present and future needs promote health, safety, morals, order, convenience, prosperity and the general welfare, as well as efficiency and

economy in the process of development, including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage and other public utilities, schools, parks, recreational and community facilities and other public requirements, the promotion of sound design and arrangements, the wise and efficient expenditure of public funds, the prevention of the recurrence of insanitary or unsafe dwelling accommodations, slums, or conditions or blight.

(h) The governing body, upon receipt of the redevelopment plan and the recommendation (if any) of the planning commission, shall hold a public hearing upon said plan. Notice of such hearing shall be given once a week for two successive weeks in a newspaper published in the municipality, or, if there be no newspaper published in the municipality, by posting such notice at four public places in the municipality, said notice to be published the first time or posted not less than 15 days prior to the date fixed for said hearing. The notice shall describe the redevelopment area by boundaries, in a manner designed to be understandable by the general public. The redevelopment plan, including such maps, plans, contracts, or other documents as form a part of it, together with the recommendation (if any) of the planning commission and supporting data, shall be available for public inspection at a location specified in the notice for at least 10 days prior to the hearing.

At the hearing the governing body shall afford an opportunity to all persons or agencies interested to be heard and shall receive, make known, and consider recommendations in writing with reference to the redevelopment plan.

(i) The governing body shall approve, amend, or reject the redevelopment plan as submitted.

(j) Subject to the proviso in subsection (c) of this section, upon approval by the governing body of the redevelopment plan, the commission is authorized to acquire property, to execute contracts for clearance and preparation of the land for resale, and to take other actions necessary to carry out the plan, in accordance with the provisions of this Article.

(k) A redevelopment plan may be modified at any time by the commission; provided that, if modified after the sale of real property in the redevelopment project area, the modification must be consented to by the redeveloper of such real property or his successor, or their successors in interest affected by the proposed modification. Where the proposed modification will substantially change the redevelopment plan as previously approved by the governing body the modification must similarly be approved by the governing body as provided above. (1951, c. 1095, s. 10; 1961, c. 837, s. 8; 1965, c. 808; 1969, c. 254, s. 2; 1973, c. 426, s. 75.)

An urban redevelopment plan was not a necessary expense of a municipality within the meaning of former Art. VII, § 6, Const. 1868, and therefore a municipality might be enjoined from spending ad valorem taxes or levying taxes and issuing bonds for an urban redevelopment project until and unless such project was approved by a majority of the qualified voters of the municipality, and any provisions of former §§ 160-466(b) and 160-470 authorizing a municipality to levy taxes and issue bonds for such purpose without a vote were unconstitutional. Horton v. Redevelopment Comm'n, 259 N.C. 605, 131 S.E.2d 464 (1963). See now N.C. Const., Art. V, § 2.

The procedures required by this section are designed to guard against arbitrary action by either the governing body of the community or the redevelopment commission, and thus afford protection to persons owning property in the affected area. Unless these procedures are strictly followed, a redevelopment commission has no authority to exercise the power of eminent domain. Redevelopment Comm'n v. Abeyounis, 1 N.C. App. 270, 161 S.E.2d 191 (1968).

Stating Cause of Action for Condemnation. — A redevelopment commission, in order to state a cause of action for condemnation, must properly allege, inter alia, a redevelopment plan

which complies with this section; the compliance with the procedures for approval of the redevelopment plan; and the approval of the plan by the governing body of the area in which the project is located. Redevelopment Comm'n v. Abeyounis, 1 N.C. App. 270, 161 S.E.2d 191 (1968).

A redevelopment commission must exercise the power of eminent domain pursuant to Chapter 160, Article 37 (now Chapter 160A, Article 11), and Chapter 40, Article 2, and in order to invoke this power the redevelopment commission must affirmatively allege compliance with the statutory requirements. Redevelopment Comm'n v. Grimes, 277 N.C. 634, 178 S.E.2d 345 (1971).

Plan Must Provide for Acquiring Redevelopment Area and Other Necessary Costs. — A redevelopment plan must, under subsection (d)(7) of this secton, provide a method of financing of acquisition of the redevelopment area, and of all other costs necessary to prepare the area for redevelopment, which method must, of course, be legal and feasible. Horton v. Redevelopment Comm'n, 262 N.C. 306, 137 S.E.2d 115 (1964).

The adoption of the redevelopment plan is equivalent to a cease and desist order preventing any development, rental, or sale of the property within the area. Redevelopment Comm'n v. Hagins, 258 N.C. 220, 128 S.E.2d 391 (1962).

And Showing of Plan to Finance Entire Area Is Required. — In order that property owners may be protected against threatened taking which is never consummated, the act wisely requires a showing that the acquiring agency has a lawful plan by which, among other things, it may lawfully finance the whole area. Redevelopment Comm'n v. Hagins, 258 N.C. 220, 128 S.E.2d 391 (1962).

Ability to finance the acquisition of one or two tracts is not a showing of a proper plan for financing the development, including the arrangements for relocating displaced families. Redevelopment Comm'n v. Hagins, 258 N.C. 220, 128 S.E.2d 391 (1962).

Separate Plan for Each Parcel Not Contemplated. — It is seriously questioned whether the legislature contemplated a separate judicial proceeding for each lot or parcel of land any more than it contemplated a separate plan for each parcel. Redevelopment Comm'n v. Hagins, 258 N.C. 220, 128 S.E.2d 391 (1962).

Each landowner has the right to know that the taking agency has on hand the money to pay for his property or, in lieu thereof, has present authority to obtain it. Redevelopment Comm'n v. Hagins, 258 N.C. 220, 128 S.E.2d 391 (1962).

Stated in Horton v. Redevelopment Comm'n, 264 N.C. 1, 140 S.E.2d 728 (1965).

§ 160A-514. Required procedures for contracts, purchases and sales; powers of commission in carrying out redevelopment project. — (a) A commission may privately contract for engineering, legal, surveying, professional or other similar services without advertisement or bid.

(b) In entering and carrying out any contract for construction, demolition, moving of structures, or repair work or the purchase of apparatus, supplies, materials, or equipment, a commission shall comply with the provisions of Article 8 of Chapter 143 of the General Statutes. In construing such provisions, the commission shall be considered to be the governing board of a "subdivision of the State," and a contract for demolition or moving of structures, shall be treated in the same manner as a contract for construction or repair. Compliance with such provisions shall not be required, however, where the commission enters into contracts with the municipality which created it for the municipality to furnish any such services, work, apparatus, supplies, materials, or equipment; the making of these contracts without advertisement or bids is hereby specifically authorized. Advertisement or bids shall not be required for any contract for construction, demolition, moving of structures, or repair work, or for the purchase of apparatus, supplies, materials, or equipment, where such contract involves the expenditure of public money in an amount less than five hundred dollars ($500.00).

(c) A commission may sell, exchange, or otherwise transfer real property or any interest therein in a redevelopment project area to any redeveloper for residential, recreational, commercial, industrial or other uses or for public use in accordance with the redevelopment plan, subject to such covenants, conditions and restrictions as may be deemed to be in the public interest or to carry out the purposes of this Article; provided that such sale, exchange or other transfer, and any agreement relating thereto, may be made only after, or subject to, the

approval of the redevelopment plan by the governing body of the municipality and after public notice and award as specified in subsection (d) below.

(d) Except as hereinafter specified, no sale of any property by the commission or agreement relating thereto shall be effected except after advertisement, bids and award as hereinafter set out. The commission shall, by public notice, by publication once a week for two consecutive weeks in a newspaper having general circulation in the municipality, invite proposals and shall make available all pertinent information to any persons interested in undertaking a purchase of property or the redevelopment of an area or any part thereof. The commission may require such bid bonds as it deems appropriate. After receipt of all bids, the sale shall be made to the highest responsible bidder. All bids may be rejected. All sales shall be subject to the approval of the governing body of the municipality. Nothing herein, however, shall prevent the sale at private sale without advertisement and bids to the municipality or other public body, or to a nonprofit association or corporation operated exclusively for educational, scientific, literary, cultural, charitable or religious purposes, of such property as is specified in subdivisions (1), (2), (3), or (4) of subsection (e) of this section, provided that such sale is in accordance with the provisions of said subdivisions. The commission may also sell personal property of a value of less than five hundred dollars ($500.00) at private sale without advertisement and bids.

(e) In carrying out a redevelopment project, the commission may:

(1) With or without consideration and at private sale convey to the municipality in which the project is located such real property as, in accordance with the redevelopment plan, is to be laid out into streets, alleys, and public ways;

(2) With or without consideration, convey at private sale, grant, or dedicate easements and rights-of-way for public utilities, sewers, streets and other similar facilities, in accordance with the redevelopment plan; and

(3) With or without consideration and at private sale convey to the municipality, county or other appropriate public body such real property as, in accordance with the redevelopment plan, is to be used for parks, schools, public buildings, facilities or other public purposes.

(4) After a public hearing advertised in accordance with the provisions of G.S. 160A-513(e), and subject to the approval of the governing body of the municipality, convey to a nonprofit association or corporation organized and operated exclusively for educational, scientific, literary, cultural, charitable or religious purposes, no part of the net earnings of which inure to the benefit of any private shareholder or individual, such real property as, in accordance with the redevelopment plan, is to be used for the purposes of such associations or corporations. Such conveyance shall be for such consideration as may be agreed upon by the commission and the association or corporation, which shall not be less than the fair value of the property agreed upon by a committee of three professional real estate appraisers currently practicing in the State, which committee shall be appointed by the commission. All conveyances made under the authority of this subsection shall contain restrictive covenants limiting the use of property so conveyed to the purposes for which the conveyance is made.

(f) After receiving the required approval of a sale from the governing body of the municipality, the commission may execute any required contracts, deeds, and other instruments and take all steps necessary to effectuate any such contract or sale. Any contract of sale between a commission and a redeveloper may contain, without being limited to, any or all of the following provisions:

(1) Plans prepared by the redeveloper or otherwise and such other documents as may be required to show the type, material, structure and general character of the proposed redevelopment;

(2) A statement of the use intended for each part of the proposed redevelopment;
(3) A guaranty of completion of the proposed redevelopment within specified time limits;
(4) The amount, if known, of the consideration to be paid;
(5) Adequate safeguards for proper maintenance of all parts of the proposed redevelopment;
(6) Such other continuing controls as may be deemed necessary to effectuate the purposes of this Article.

Any deed to a redeveloper in furtherance of a redevelopment contract shall be executed in the name of the commission, by its proper officers, and shall contain in addition to all other provisions, such conditions, restrictions and provisions as the commission may deem desirable to run with the land in order to effectuate the purposes of this Article.

(g) The commission may temporarily rent or lease, operate and maintain real property in a redevelopment project area, pending the disposition of the property for redevelopment, for such uses and purposes as may be deemed desirable even though not in conformity with the redevelopment plan. (1951, c. 1095, s. 11; 1961, c. 837, s. 9; 1963, c. 1212, ss. 1, 2; 1965, c. 679, s. 2; 1967, c. 24, s. 18; c. 932, s. 1; 1973, c. 426, s. 75.)

Local Modification. — Craven, Duplin, Edgecombe, Macon, Madison, New Hanover, Swain and Yancey: 1963, c. 1212, s. 4; 1965, cc. 539, 818; Durham, Lee, Mecklenburg, Robeson, Sampson and Wayne: 1971, c. 1060; 1973, c. 308; city of Asheboro: 1971, c. 1060; 1973, c. 308; city of Charlotte and city of Durham: 1965, c. 1206; 1967, c. 815; city of New Bern: 1965, c. 1206; 1967, c. 815; 1971, c. 1060; 1973, c. 1104; city of Williamston: 1971, c. 1060; 1975, c. 470; towns of Chapel Hill and Tarboro: 1973, c. 346; 1975, c. 379.

Sale of Condemned Property to Private Persons. — The fact that a municipal redevelopment commission may exchange, sell or transfer to private persons slum property condemned by it for redevelopment does not affect the question of whether the taking is for a public use, since the statute provides safeguards in the use and control of the land by the private developer to prevent the area from again becoming a blighted area, and the sale or transfer to the redeveloper is merely incidental or collateral to the primary purpose of clearing the slum area in the interest of the public health, safety, morals and welfare. Redevelopment Comm'n v. Security Nat'l Bank, 252 N.C. 595, 114 S.E.2d 688 (1960).

The condemnation of blighted and slum areas within a municipality and the sale or exchange thereof to any redeveloper for residential, recreational, commercial, industrial or other uses or for public use in accordance with the redevelopment plan under safeguards to prevent such areas from reverting to slum areas, is in the interest of the public health, safety, morals and welfare, and therefore such condemnation is for a public purpose. Martin v. North Carolina Housing Corp., 277 N.C. 29, 175 S.E.2d 665 (1970).

Applied in Campbell v. First Baptist Church, 19 N.C. App. 343, 199 S.E.2d 34 (1973).

§ 160A-515. Eminent domain. — Title to any property acquired by a commission through eminent domain shall be an absolute or fee simple title, unless a lesser title shall be designated in the eminent domain proceedings. The commission may exercise the right of eminent domain in accordance with the provisions of Article 2 of Chapter 40 of the General Statutes, with the following modifications:

(1) Upon the request in writing of any party to the proceeding submitted as part of the petition or of any answer thereto, the clerk of superior court shall order and preside over a formal hearing before the commissioners of appraisal at the time of their first meeting. At such hearing any party or his attorney shall be afforded an opportunity to present such competent evidence as he may choose relating to the value of the property in question.
(2) Upon payment into court of the amount specified by the commissioners, as provided in G.S. 40-19, title to the property or other interest specified

in the petition, together with the right to immediate possession thereof, shall vest in the commission, and the court or judge shall enter such orders in the cause as may be required to place the commission in possession. Such property or interest therein shall be deemed to be condemned and the right to just compensation therefor shall vest in the person or persons owning said property or any compensable interest therein. Payment into court of this amount shall not prejudice the right of the commission to take an appeal as to the amount of compensation payable for the property.

(3) Following payment into court of the amount specified by the commissioners, the court may upon application of the person or persons owning said property or having any compensable interest therein (and subject to the provisions of G.S. 40-23) order that the money deposited or any part thereof be paid to the person or persons entitled thereto. The court shall have power to make such orders with respect to encumbrances, liens, rents, taxes, assessments, insurance and other charges, if any, as shall be just and equitable.

Acceptance or receipt of money thus disbursed shall not prejudice the right of any party to further proceedings in the cause to determine just compensation, and in the event that an increased amount is awarded, the amount thus received shall be applied as a credit against the total compensation awarded. In the event that a lesser amount is awarded, the appropriate amount shall be returned to the court for repayment to the redevelopment commission, and the court shall have power to make any necessary orders requiring such repayment.

(4) To the amount awarded as damages by the commissioners, jury, or judge, the judge shall as a part of just compensation add interest at the rate of six percent (6%) per annum on said amount from the date of taking to the date of judgment; but interest shall not be allowed from the date of deposit on so much thereof as shall have been paid into court as provided in this section. For the purposes of this subdivision, the "date of taking" shall be the date on which the petition is filed.

(5) Pending disbursement of any funds thus paid into court, the clerk of superior court may in his discretion invest part or all of said funds as permitted by G.S. 7A-112. Any interest or dividends accruing from such deposit shall be applied to the sum finally ascertained to be due the owners of the property taken, and any excess resulting shall be returned to the redevelopment commission.

Subdivisions (2), (3), (4), (5) shall not be applicable in a suit against a corporation possessing the power of eminent domain under Chapter 40 of the General Statutes in which such corporation, by its answer, raises the issue of the right of the commission to condemn the land or interest therein of such corporation.

General Statutes 40-10 shall not apply to the commission. If any of the real property in the redevelopment area which is to be acquired has, prior to such acquisition, been devoted to another public use, it may, nevertheless, be acquired by condemnation; provided, that no real property belonging to any municipality or county or to the State may be acquired without its consent. The Department of Administration is hereby empowered to give such consent on behalf of the State; the governing board of any municipality or county is authorized to give such consent on behalf of the municipality or county. (1951, c. 1095, s. 12; 1965, c. 679, s. 3; c. 1132; 1967, c. 932, ss. 2, 3; 1973, c. 426, s. 75.)

Editor's Note. — For an article urging revision and recodification of North Carolina's eminent domain laws, see 45 N.C.L. Rev. 587 (1967).

Opinions of Attorney General. — Mr. William I. Cochran, Jr., Executive Director, Redevelopment Commission of the City of Washington, 40 N.C.A.G. 637 (1969).

Strict Construction. — The exercise of the power of eminent domain is in derogation of common right, and all laws conferring such power must be strictly construed. Redevelopment Comm'n v. Abeyounis, 1 N.C. App. 270, 161 S.E.2d 191 (1968); Greensboro-High Point Airport Authority v. Irvin, 2 N.C. App. 341, 163 S.E.2d 118 (1968).

Statutes prescribing the procedure to condemn lands should be strictly construed. Redevelopment Comm'n v. Grimes, 8 N.C. App. 376, 174 S.E.2d 839 (1970).

Prerequisites to Exercise of Power of Eminent Domain. — The basic prerequisites to a redevelopment commission's gaining the authority to exercise the power of eminent domain are now, and at all times have been, the prerequisite procedures required by Chapter 40, Article 2, and Chapter 160, Article 37 (now Chapter 160A, Article 11), with the modifications as now set out in this section. Redevelopment Comm'n v. Abeyounis, 1 N.C. App. 270, 161 S.E.2d 191 (1968).

In order for a redevelopment commission to establish a right to acquire property by condemnation, the petition must affirmatively show that the provisions of § 40-12 and this Article have been complied with. Redevelopment Comm'n v. Grimes, 8 N.C. App. 376, 174 S.E.2d 839 (1970).

Instantaneous Condemnation. — Under the provisions of subdivision (2) of this section, there is an instantaneous condemnation merely by the act of the commission paying into court the sum specified by the commissioners of appraisal. Redevelopment Comm'n v. Abeyounis, 1 N.C. App. 270, 161 S.E.2d 191 (1968).

Procedure to Acquire Property When Redevelopment Corporation and Landowner Unable to Agree. — When a redevelopment corporation, possessing the power of eminent domain under § 160A-512, is unable to agree with the owner for the purchase of property required for its purposes, the procedure to acquire the property is by a special proceeding as provided in Chapter 40, Article 2, except as modified by the provision of this section. Redevelopment Comm'n v. Grimes, 8 N.C. App. 376, 174 S.E.2d 839 (1970).

Applied in Greensboro v. Wall, 247 N.C. 516, 101 S.E.2d 413 (1958); Redevelopment Comm'n v. Grimes, 277 N.C. 634, 178 S.E.2d 345 (1971).

§ 160A-516. Issuance of bonds. — (a) The commission shall have power to issue bonds from time to time for any of its corporate purposes including the payment of principal and interest upon any advances for surveys and plans for redevelopment projects. The commission shall also have power to issue refunding bonds for the purpose of paying or retiring or in exchange for bonds previously issued by it. The commission may issue such types of bonds as it may determine, including (without limiting the generality of the foregoing) bonds on which the principal and interest are payable:

(1) Exclusively from the income, proceeds, and revenues of the redevelopment project financed with the proceeds of such bonds; or

(2) Exclusively from the income, proceeds, and revenues of any of its redevelopment projects whether or not they are financed in whole or in part with the proceeds of such bonds; provided, that any such bonds may be additionally secured by a pledge of any loan, grant or contributions, or parts thereof, from the federal government or other source, or a mortgage of any redevelopment project or projects of the commission.

(b) Neither the commissioners of a commission nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. The bonds and other obligations of the commission (and such bonds and obligations shall so state on their face) shall not be a debt of the municipality, the county, or the State and neither the municipality, the county, nor the State shall be liable thereon, nor in any event shall such bonds or obligations be payable out of any funds or properties other than those of said commission acquired for the purpose of this Article. The bonds shall not constitute an indebtedness of the municipality within the meaning of any constitutional or statutory debt limitation or restriction. Bonds of a commission are declared to be issued for an essential public and governmental purpose and to be public instrumentalities and, together with interest thereon and income therefrom, shall be exempt from all taxes. Bonds may be issued by a commission under this Article notwithstanding any debt or other limitation prescribed in any statute. This Article without reference to other statutes of the State shall constitute full

and complete authority for the authorization and issuance of bonds by the commission hereunder and such authorization and issuance shall not be subject to any conditions, restrictions or limitations imposed by any other statute whether general, special or local, except as provided in subsection (d) of this section.

(c) Bonds of the commission shall be authorized by its resolution and may be issued in one or more series and shall bear such date or dates, be payable upon demand or mature at such time or times, bear interest at such rate or rates, be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption (with or without premium) as such resolution, its trust indenture or mortgage may provide.

(d) Bonds shall be sold by the redevelopment commission at public sale upon such terms and in such manner, consistent with the provisions hereof, as the redevelopment commission may determine. Prior to the sale of bonds hereunder, the redevelopment commission shall first cause a notice of the sale of the bonds to be published at least once at least 10 days before the date fixed for the receipt of bids for the bonds (i) in a newspaper having the largest or next largest circulation in the redevelopment commission's area of operation and (ii) in a publication that carries advertisements for the sale of State and municipal bonds published in the City of New York in the State of New York; provided, however, that in its discretion the redevelopment commission may cause any such notice of sale in the New York publication to be published as part of a consolidated notice of sale offering for sale the obligations of other public agencies in addition to the redevelopment commission's bonds, and provided, further, that any bonds may be sold by the redevelopment commission to the government at private sale upon such terms and conditions as are mutually agreed upon between the commission and the government. No bonds issued pursuant to this Article shall be sold at less than par and accrued interest. The provisions of the Local Government Act shall not be applicable with respect to bonds sold or issued under this Article.

(e) In case any of the commissioners or officers of the commission whose signatures appear on any bonds or coupons shall cease to be such commissioners or officers before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such commissioners or officers had remained in office until such delivery. Any provisions of any law to the contrary notwithstanding, any bonds issued pursuant to this Article shall be fully negotiable.

(f) In any suit, action or proceedings involving the validity or enforceability of any bond of the commission or the security therefor, any such bond reciting in substance that it has been issued by the commission to aid in financing a redevelopment project, as herein defined, shall be conclusively deemed to have been issued for such purpose and such project shall be conclusively deemed to have been planned, located and carried out in accordance with the purposes and provisions of this Article. (1951, c. 1095, s. 13; 1961, c. 837, s. 10; 1971, c. 87, s. 3; 1973, c. 426, s. 75.)

Constitutionality. — This section is not unconstitutional. Horton v. Redevelopment Comm'n, 262 N.C. 306, 137 S.E.2d 115 (1964).

Any provisions of subsection (d) of this section and § 160A-520 to the effect that bonds may be sold and issued by a redevelopment commission for the purpose of carrying out the provisions of an urban redevelopment plan or project under the provisions of the Urban Redevelopment Law, or that any municipality located within the area of such a commission may appropriate funds to a redevelopment commission for the purpose of aiding such a commission in carrying out any of its powers and functions under the Urban Redevelopment Law, and to obtain funds for this purpose, the municipality may levy

taxes, and may in the manner prescribed by law issue and sell its bonds, without the approval of a vote of the qualified voters in the municipality, would be repugnant to the provisions of former Art. VII, § 6, Const. 1868, as amended in 1962. Horton v. Redevelopment Comm'n, 259 N.C. 605, 131 S.E.2d 464 (1963). See now N.C. Const., Art. V, § 2.

Subsection (d) of this section does nothing more than provide alternative methods for the sale of bonds issued by the commission, and further provides that no such bonds shall be sold at less than par and accrued interest. Horton v. Redevelopment Comm'n, 262 N.C. 306, 137 S.E.2d 115 (1964).

§ 160A-517. Powers in connection with issuance of bonds. — (a) In connection with the issuance of bonds or the incurring of obligations and in order to secure the payment of such bonds or obligations, the commission, in addition to its other powers, shall have power:

(1) To pledge all or any part of its gross or net rents, fees or revenues to which its right then exists or may thereafter come into existence;

(2) To mortgage all or any part of its real or personal property, then owned or thereafter acquired;

(3) To covenant against pledging all or any part of its rents, fees and revenues, or against mortgaging all or any part of its real or personal property, to which its right or title then exists or may thereafter come into existence or against permitting or suffering any lien on such revenues or property; to covenant with respect to limitations on its right to sell, lease or otherwise dispose of any redevelopment project or any part thereof; and to covenant as to what other, or additional debts or obligations may be incurred by it;

(4) To covenant as to the bonds to be issued and as to the issuance of such bonds in escrow or otherwise, and as to the use and disposition of the proceeds thereof; to provide for the replacement of lost, destroyed or mutilated bonds, to covenant against extending the time for the payment of its bonds or interest thereon; and to covenant for the redemption of the bonds and to provide the terms and conditions thereof;

(5) To covenant (subject to the limitations contained in this Article) as to the amount of revenues to be raised each year or other period of time by rents, fees and other revenues, and as to the use and disposition to be made thereof; to create or to authorize the creation of special funds for moneys held for operating costs, debt service, reserves, or other purposes, and to covenant as to the use and disposition of the moneys held in such funds;

(6) To prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given;

(7) To covenant as to the use, maintenance and replacement of any of or all of its real or personal property, the insurance to be carried thereon and the use and disposition of insurance moneys, and to warrant its title to such property;

(8) To covenant as to the rights, liabilities, powers and duties arising upon the breach by it of any covenants, conditions or obligations; and to covenant and prescribe as to events of default and terms and conditions upon which any or all of its bonds or obligations shall become or may be declared due before maturity and as to the terms and conditions upon which such declaration and its consequences may be waived;

(9) To vest in any obligees of the commissions the right to enforce the payment of the bonds or any covenants securing or relating to the bonds; to vest in any obligee or obligees holding a specified amount in bonds the right, in the event of a default to take possession of and use,

operate and manage any redevelopment project or any part thereof, title to which is in the commission, or any funds connected therewith, and to collect the rents and revenues arising therefrom and to dispose of such moneys in accordance with the agreement with such obligees; to provide for the powers and duties of such obligees and to limit the liabilities thereof, and to provide the terms and conditions upon which such obligees may enforce any covenant or rights securing or relating to the bonds; and

(10) To exercise all or any part or combination of the powers herein granted; to make such covenants (other than and in addition to the covenants herein expressly authorized) and to do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds, or, in the absolute discretion of said commission, as will tend to make the bonds more marketable notwithstanding that such covenants, acts or things may not be enumerated herein.

(b) The commission shall have power by its resolution, trust indenture, mortgage lease or other contract to confer upon any obligee holding or representing a specified amount in bonds, the right (in addition to all rights that may otherwise be conferred), upon the happening of an event of default as defined in such resolution or instrument, by suit, action or proceeding in any court of competent jurisdiction:

(1) To cause possession of any redevelopment project or any part thereof title to which is in the commission, to be surrendered to any such obligee;

(2) To obtain the appointment of a receiver of any redevelopment project of said commission or any part thereof, title to which is in the commission and of the rents and profits therefrom. If such receiver be appointed, he may enter and take possession of, carry out, operate and maintain such project or any part therefrom and collect and receive all fees, rents, revenues, or other charges thereafter arising therefrom, and shall keep such moneys in a separate account or accounts and apply the same in accordance with the obligations of said commission as the court shall direct; and

(3) To require said commission and the commissioners, officers, agents and employees thereof to account as if it and they were the trustees of an express trust. (1951, c. 1095, s. 14; 1973, c. 426, s. 75.)

§ 160A-518. Right of obligee. — An obligee of the commission shall have the right in addition to all other rights which may be conferred on such obligee, subject only to any contractual restrictions binding upon such obligee:

(1) By mandamus, suit, action or proceeding at law or in equity to compel said commission and the commissioners, officers, agents or employees thereof to perform each and every term, provision and covenant contained in any contract of said commission with or for the benefit of such obligee, and to require the carrying out of any or all such covenants and agreements of said commission and the fulfillment of all duties imposed upon said commission by this Article; and

(2) By suit, action or proceeding in equity, to enjoin any acts or things which may be unlawful, or the violation of any of the rights of such obligee of said commission. (1951, c. 1095, s. 15; 1973, c. 426, s. 75.)

§ 160A-519. Cooperation by public bodies. — (a) For the purpose of aiding and cooperating in the planning, undertaking or carrying out of a redevelopment project located within the area in which it is authorized to act, any public body may, upon such terms, with or without consideration, as it may determine:

(1) Dedicate, sell, convey or lease any of its interest in any property, or grant easements, licenses or any other rights or privileges therein to a commission;
(2) Cause parks, playgrounds, recreational, community, educational, water, sewer or drainage facilities, or any other works which it is otherwise empowered to undertake, to be furnished in connection with a redevelopment project;
(3) Furnish, dedicate, close, vacate, pave, install, grade, regrade, plan or replan streets, roads, sidewalks, ways or other places, which it is otherwise empowered to undertake;
(4) Plan or replan, zone or rezone any part of the redevelopment;
(5) Cause administrative and other services to be furnished to the commission of the character which the public body is otherwise empowered to undertake or furnish for the same or other purposes;
(6) Incur the entire expense of any public improvements made by such public body in exercising the powers granted in this section;
(7) Do any and all things necessary or convenient to aid and cooperate in the planning or carrying out of a redevelopment plan.

(b) Any sale, conveyance, or agreement provided for in this section may be made by a public body without public notice, advertisement or public bidding. (1951, c. 1095, s. 16; 1973, c. 426, s. 75.)

§ 160A-520. Grant of funds by community. — Any municipality located within the area of operation of a commission may appropriate funds to a commission for the purpose of aiding such commission in carrying out any of its powers and functions under this Article. To obtain funds for this purpose, the municipality may levy taxes and may in the manner prescribed by law issue and sell its bonds. (1951, c. 1095, s. 17; 1973, c. 426, s. 75.)

Constitutionality. — This section is not unconstitutional. Horton v. Redevelopment Comm'n, 262 N.C. 306, 137 S.E.2d 115 (1964).

Any provisions of this section to the effect that any municipality located within the area of a redevelopment commission may appropriate funds to a redevelopment commission for the purpose of aiding such a commission in carrying out any of its powers and functions under the Urban Redevelopment Law, and to obtain funds for this purpose may levy taxes, and may in the manner prescribed by law issue and sell its bonds, without approval of a vote of the qualified voters in the municipality, would be repugnant to the provisions of former Art. VII, § 6, Const. 1868, as amended in 1962. Horton v. Redevelopment Comm'n, 259 N.C. 605, 131 S.E.2d 464 (1963). See now N.C. Const., Art. V, § 2.

Tax Can Only Be Levied for Expenses Necessary without Redevelopment Project. — Under this section, a municipality cannot legally levy a tax in connection with an urban redevelopment project for any purpose other than for streets, water, sewer and other such services as would constitute necessary expenses of the municipality, irrespective of whether or not a redevelopment project existed. Horton v. Redevelopment Comm'n, 262 N.C. 306, 137 S.E.2d 115 (1964).

And Bonds Cannot Be Issued for Unnecessary Expense without Election. — Pursuant to the following statement in this section, to wit: "To obtain funds for this purpose, the municipality may levy taxes and may in the manner prescribed by law issue and sell its bonds," a municipality could not issue and sell its bonds except in the manner prescribed by law, and the law requires that bonds issued to finance a project which is for a public purpose but not a necessary expense must be approved by the voters of the municipality if such bonds are obligations of the municipality. Horton v. Redevelopment Comm'n, 262 N.C. 306, 137 S.E.2d 115 (1964).

City May Appropriate Nontax Funds to Redevelopment Commission. — See opinion of Attorney General to Mr. Francis M. Coiner, Hendersonville City Attorney, 40 N.C.A.G. 506 (1970).

§ 160A-521. Records and reports. — (a) The books and records of a commission shall at all times be open and subject to inspection by the public.

(b) A copy of all bylaws and rules and regulations and amendments thereto adopted by it, from time to time, shall be filed with the city clerk and shall be open for public inspection.

(c) At least once each year a report of its activities for the preceding year and such other reports as may be required shall be made. Copies of such reports shall be filed with the mayor and governing body of the municipality. (1951, c. 1095, s. 18; 1973, c. 426, s. 75.)

§ 160A-522. Title of purchaser. — Any instrument executed by a commission and purporting to convey any right, title or interest in any property under this Article shall be conclusive evidence of compliance with the provisions of this Article insofar as title or other interest of any bona fide purchasers, lessees or transferees of such property is concerned. (1951, c. 1095, s. 19; 1973, c. 426, s. 75.)

§ 160A-523. Preparation of general plan by local governing body. — The governing body of any municipality or county, which is not otherwise authorized to create a planning commission with power to prepare a general plan for the development of the community, is hereby authorized and empowered to prepare such a general plan prior to the initiation and carrying out of a redevelopment project under this Article. (1951, c. 1095, s. 20; 1973, c. 426, s. 75.)

§ 160A-524. Inconsistent provisions. — Insofar as the provisions of this Article are inconsistent with the provisions of any other law, the provisions of this Article shall be controlling. (1951, c. 1095, s. 22; 1955, c. 1349; 1957, c. 502, s. 4; 1973, c. 426, s. 75.)

§ 160A-525. Certain actions and proceedings validated. — All proceedings, resolutions, ordinances, motions, notices, findings, determinations, and other actions of redevelopment commissions, incorporated cities and towns, governing bodies, and planning boards and commissions, had and taken prior to January 1, 1965, pursuant to or purporting to comply with the Urban Redevelopment Law (G.S. 160A-500 to 160A-526) and incident to the creation and organization of redevelopment commissions and appointment of members thereof, designation of redevelopment and project areas, findings and determinations respecting conditions in redevelopment and project areas, preparation, development, review, processing and approval of urban redevelopment projects and plans, including redevelopment plans, calling and holding of public hearings, and the time and manner of giving and publishing notices thereof, are hereby in all respects legalized, ratified, approved, validated and confirmed, and all such actions are declared to be valid and lawfully authorized; provided, however, that no such action shall be legalized, ratified, approved, validated or confirmed, under this section if they appertain to any redevelopment or project area, the acquisition or taking of any property in any such area, any urban redevelopment project or any redevelopment plan respecting which any decree or judgment has been rendered by the Supreme Court of North Carolina prior to May 25, 1965. (1963, c. 194; 1965, c. 680; 1973, c. 426, s. 75.)

§ 160A-526. Contracts and agreements validated. — All contracts or agreements of redevelopment commissions heretofore entered into with the federal government or its agencies, and with municipalities or others relating to financial assistance for redevelopment projects in which it was required that loans or advances shall bear an interest rate in excess of six per centum (6%) per annum, or in which a municipality or others had agreed to pay funds equal to the interest in excess of six per centum (6%) per annum are hereby validated, ratified, confirmed, approved and declared legal with respect to the payment of interest in excess of six per centum (6%), and all things done or performed in reference thereto. The redevelopment commissions are hereby authorized to

assume the full obligation of the municipalities under the contracts or agreements with reference to interest in excess of six per centum (6%), and to reimburse any municipality which has made any interest payment under such contracts or agreements. (1971, c. 87, s. 4; 1973, c. 426, s. 75.)

§§ 160A-527 to 160A-534: Reserved for future codification purposes.

ARTICLE 23.

Municipal Service Districts.

§ 160A-535. Title; effective date. — This Article may be cited as "The Municipal Service District Act of 1973," and is enacted pursuant to Article V, Sec. 2(4) of the Constitution of North Carolina, effective July 1, 1973. (1973, c. 655, s. 1.)

§ 160A-536. Purposes for which districts may be established. — The city council of any city may define any number of service districts in order to finance, provide, or maintain for the districts one or more of the following services, facilities, or functions in addition to or to a greater extent than those financed, provided or maintained for the entire city:

(1) Beach erosion control and flood and hurricane protection works;
(2) Downtown revitalization projects;
(3) Drainage projects; and
(4) Off-street parking facilities.

As used in this section "downtown revitalization projects" include by way of illustration but not limitation improvements to water mains, sanitary sewer mains, storm sewer mains, electric power distribution lines, gas mains, street lighting, streets and sidewalks, including rights-of-way and easements therefor, the construction of pedestrian malls, bicycle paths, overhead pedestrian walkways, sidewalk canopies, and parking facilities both on-street and off-street, and other improvements intended to relieve traffic congestion in the central city, improve pedestrian and vehicular access thereto, reduce the incidence of crime therein, and generally to further the public health, safety, welfare, and convenience by promoting the economic health of the central city or downtown area. Exercise of the authority granted by this Article to undertake downtown revitalization projects financed by a municipal service district shall not prejudice the city's authority to undertake urban renewal projects in the same area. (1973, c. 655, s. 1.)

§ 160A-537. Definition of service districts. — (a) Standards. — The city council of any city may by resolution define a service district upon finding that a proposed district is in need of one or more of the services, facilities, or functions listed in G.S. 160A-536 to a demonstrably greater extent than the remainder of the city.

(b) Report. — Before the public hearing required by subsection (c), the city council shall cause to be prepared a report containing:

(1) A map of the proposed district, showing its proposed boundaries;
(2) A statement showing that the proposed district meets the standards set out in subsection (a); and
(3) A plan for providing in the district one or more of the services listed in G.S. 160A-536.

The report shall be available for public inspection in the office of the city clerk for at least four weeks before the date of the public hearing.

(c) Hearing and Notice. — The city council shall hold a public hearing before adopting any resolution defining a new service district under this section. Notice of the hearing shall state the date, hour, and place of the hearing and its subject,

and shall include a map of the proposed district and a statement that the report required by subsection (b) is available for public inspection in the office of the city clerk. The notice shall be published at least once not less than one week before the date of the hearing. In addition, it shall be mailed by first-class mail at least four weeks before the date of the hearing to the owners as shown by the county tax records as of the preceding January 1 (and at the address shown thereon) of all property located within the proposed district. The person designated by the council to mail the notice shall certify to the council that the mailing has been completed and his certificate is conclusive in the absence of fraud.

(d) Effective Date. — The resolution defining a service district shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the city council. (1973, c. 655, s. 1.)

§ 160A-538. Extension of service districts. — (a) Standards. — The city council may by resolution annex territory to any service district upon finding that:

(1) The area to be annexed is contiguous to the district, with at least one eighth of the area's aggregate external boundary coincident with the existing boundary of the district;

(2) That the area to be annexed requires the services of the district.

(b) Annexation by Petition. — The city council may also by resolution extend by annexation the boundaries of any service district when one hundred percent (100%) of the real property owners of the area to be annexed have petitioned the council for annexation to the service district.

(c) Report. — Before the public hearing required by subsection (d), the council shall cause to be prepared a report containing:

(1) A map of the service district and the adjacent territory, showing the present and proposed boundaries of the district;

(2) A statement showing that the area to be annexed meets the standards and requirements of subsections (a) or (b); and

(3) A plan for extending services to the area to be annexed.

The report shall be available for public inspection in the office of the city clerk for at least two weeks before the date of the public hearing.

(d) Hearing and Notice. — The council shall hold a public hearing before adopting any resolution extending the boundaries of a service district. Notice of the hearing shall state the date, hour and place of the hearing and its subject, and shall include a statement that the report required by subsection (c) is available for inspection in the office of the city clerk. The notice shall be published at least once not less than one week before the date of the hearing. In addition, the notice shall be mailed at least four weeks before the date of the hearing to the owners as shown by the county tax records as of the preceding January 1 of all property located within the area to be annexed. The person designated by the council to mail the notice shall certify to the council that the mailing has been completed, and his certificate shall be conclusive in the absence of fraud.

(e) Effective Date. — The resolution extending the boundaries of the district shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the council. (1973, c. 655, s. 1.)

§ 160A-539. Consolidation of service districts. — (a) The city council may by resolution consolidate two or more service districts upon finding that:

(1) The districts are contiguous or are in a continuous boundary; and

(2) The services provided in each of the districts are substantially the same; or

(3) If the services provided are lower for one of the districts, there is a need to increase those services for that district to the level of that enjoyed by the other districts.

(b) Report. — Before the public hearing required by subsection (c), the city council shall cause to be prepared a report containing:

(1) A map of the districts to be consolidated;

(2) A statement showing the proposed consolidation meets the standards of subsection (a); and

(3) If necessary, a plan for increasing the services for one or more of the districts so that they are substantially the same throughout the consolidated district.

The report shall be available in the office of the city clerk for at least two weeks before the public hearing.

(c) Hearing and Notice. — The city council shall hold a public hearing before adopting any resolution consolidating service districts. Notice of the hearing shall state the date, hour, and place of the hearing and its subject, and shall include a statement that the report required by subsection (b) is available for inspection in the office of the city clerk. The notice shall be published at least once not less than one week before the date of the hearing. In addition, the notice shall be mailed at least four weeks before the hearing to the owners as shown by the county tax records as of the preceding January 1 of all property located within the consolidated district. The person designated by the council to mail the notice shall certify to the council that the mailing has been completed, and his certificate shall be conclusive in the absence of fraud.

(d) Effective Date. — The consolidation of service districts shall take effect at the beginning of a fiscal year commencing after passage of the resolution of consolidation, as determined by the council. (1973, c. 655, s. 1.)

§ 160A-540. Required provision or maintenance of services. — (a) New District. — When a city defines a new service district, it shall provide, maintain, or let contracts for the services for which the residents of the district are being taxed within a reasonable time, not to exceed one year, after the effective date of the definition of the district.

(b) Extended District. — When a city annexes territory for a service district, it shall provide, maintain, or let contracts for the services provided or maintained throughout the district to the residents of the area annexed to the district within a reasonable time, not to exceed one year, after the effective date of the annexation.

(c) Consolidated District. — When a city consolidates two or more service districts, one of which has had provided or maintained a lower level of services, it shall increase the services within that district (or let contracts therefor) to a level comparable to those provided or maintained elsewhere in the consolidated district within a reasonable time, not to exceed one year, after the effective date of the consolidation. (1973, c. 655, s. 1.)

§ 160A-541. Abolition of service districts. — Upon finding that there is no longer a need for a particular service district, the city council may by resolution abolish that district. The council shall hold a public hearing before adopting a resolution abolishing a district. Notice of the hearing shall state the date, hour and place of the hearing, and its subject, and shall be published at least once not less than one week before the date of the hearing. The abolition of any service district shall take effect at the end of a fiscal year following passage of the resolution, as determined by the council. (1973, c. 655, s. 1.)

§ 160A-542. Taxes authorized; rate limitation. — A city may levy property taxes within defined service districts in addition to those levied throughout the city, in order to finance, provide or maintain for the district services provided therein in addition to or to a greater extent than those financed, provided or

maintained for the entire city. In addition, a city may allocate to a service district any other revenues whose use is not otherwise restricted by law.

Property subject to taxation in a newly established district or in an area annexed to an existing district is that subject to taxation by the city as of the preceding January 1.

Property taxes may not be levied within any district established pursuant to this Article in excess of a rate on each one hundred dollar ($100.00) value of property subject to taxation which, when added to the rate levied city wide for purposes subject to the rate limitation, would exceed the rate limitation established in G.S. 160A-209(d), unless that portion of the rate in excess of this limitation is submitted to and approved by a majority of the qualified voters residing within the district. Any referendum held pursuant to this paragraph shall be held and conducted as provided in G.S. 160A-209.

This Article does not impair the authority of a city to levy special assessments pursuant to Article 10 of this Chapter for works authorized by G.S. 160A-491, and may be used in addition to that authority. (1973, c. 655, s. 1.)

§ 160A-543. Bonds authorized. — A city may issue its general obligation bonds under the Local Government Bond Act to finance services, facilities or functions provided within a service district. If a proposed bond issue is required by law to be submitted to and approved by the voters of the city, and if the proceeds of the proposed bond issue are to be used in connection with a service that is or, if the bond issue is approved, will be provided only for one or more service districts or at a higher level in service districts than city wide, the proposed bond issue must be approved concurrently by a majority of those voting throughout the entire city and by a majority of the total of those voting in all of the affected or to be affected service districts. (1973, c. 655, s. 1.)

Chapter 160B.

Consolidated City-County Act.

Article 1.

Title and Definition.

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ARTICLE 1.

Title and Definition.

§ 160B-1. Title; effective date. — This Chapter shall be cited as the "Consolidated City-County Act of 1973" and is enacted pursuant to Article V, Sec. 2(4) of the North Carolina Constitution, effective July 1, 1973. (1973, c. 537, s. 1.)

§ 160B-2. Definitions. — In this Chapter:

(1) "Consolidated city-county" means any county where the largest municipality in the county has been abolished and its powers, duties, rights, privileges and immunities consolidated with those of the county. Other municipalities in the county, if any, may or may not have been abolished and their powers, duties, rights, privileges and immunities consolidated with those of the county.

(2)"Governing board" means the governing board of a consolidated city-county. (1973, c. 537, s. 1.)

ARTICLE 2.

Defining Urban Service Districts.

§ 160B-3. Authority; purpose of district. — The governing board may define any number of urban service districts in order to finance, provide or maintain for the districts services, facilities and functions in addition to or to a greater extent than those financed, provided or maintained for the entire consolidated city-county. (1973, c. 537, s. 1.)

§ 160B-4. Definition of urban service districts to replace municipalities abolished at the time of consolidation. — The governing board, by resolution, may define an urban service district within the boundaries of the largest municipality that existed in the county before consolidation and within the boundaries of any other municipality abolished at the time of the establishment

of the consolidated city-county. Any urban service district so defined shall comprise the total area of the abolished municipality as it existed immediately before the effective date of consolidation. The resolution shall take effect upon its adoption. (1973, c. 537, s. 1.)

§ 160B-5. Definition of urban service districts to replace municipalities abolished subsequent to consolidation. — The governing board, by resolution, may define an urban service district within the boundaries of any municipality within the consolidated city-county the citizens of which, subsequent to the establishment of the consolidated city-county, have voted in a referendum to abolish their municipality and consolidate its powers, duties, rights, privileges and immunities with those of the consolidated city-county. An urban service district so defined shall comprise the total area of the municipality as it existed immediately before the effective date of its abolition. The resolution shall take effect at the beginning of the fiscal year next occurring after its adoption. (1973, c. 537, s. 1.)

§ 160B-6. Definition of urban service districts where no municipality existed. — (a) Standards. — The governing board, by resolution, may define an urban service district upon finding that a proposed district:

(1) Has a resident population of at least 1,000;
(2) Has a resident population density of at least one person per acre;
(3) Has an assessed valuation of at least two and one-half million dollars ($2,500,000);
(4) Requires one or more of the services, facilities and functions that are provided or maintained only or to a greater extent for an urban service district; and
(5) Does not include any territory within an active incorporated municipality.

(b) Report. — Prior to the public hearing required by subsection (c), the consolidated city-county shall prepare a report containing:

(1) A map of the proposed district, showing its proposed boundaries;
(2) A statement showing that the proposed district meets the standards of subsection (a); and
(3) A plan for providing urban services, facilities and functions for the district.

The report shall be available in the office of the clerk of the consolidated city-county for at least two weeks prior to the date of the public hearing.

(c) Hearing and Notice. — The governing board shall hold a public hearing prior to adoption of any resolution defining a new urban service district. Notice of the hearing shall state the date, hour and place of the hearing and its subject, and shall include a statement that the report required by subsection (b) is available for inspection in the office of the clerk of the consolidated city-county. The notice shall be published in a newspaper of general circulation in the county at least once and not less than one week prior to the date of the hearing. In addition it shall be mailed at least four weeks prior to the date of the hearing to the owners as shown by the tax records of the consolidated city-county of all property located within the proposed district. The person designated by the governing board to mail the notice shall certify to the governing board that the mailing has been completed and his certificate shall be conclusive in the absence of fraud. The hearing may be held within the proposed district.

(d) Effective Date. — The resolution defining an urban service district shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the governing board. (1973, c. 537, s. 1.)

§ 160B-7. Extension of urban service districts. — (a) Standards. — The governing board, by resolution, may extend by annexation the boundaries of any urban service district upon finding that:

(1) The area to be annexed is contiguous to the district, with at least one eighth of the area's aggregate external boundary coincident with the existing boundary of the district;

(2) The area to be annexed has a resident population density of at least one person per acre and an assessed valuation of at least one thousand dollars ($1,000) per resident person; or the area to be annexed is so developed that at least sixty per cent (60%) of the total number of lots and tracts in the area at the time of annexation are used for residential, commercial, industrial, institutional or governmental purposes and at least sixty percent (60%) of the total acreage of the area at the time of annexation is devoted to these uses; and

(3) The area to be annexed requires the services, facilities or functions that are provided for the contiguous urban service district.

(b) Annexation by Petition. — The governing board also, by resolution, may extend by annexation the boundaries of any urban service district when one hundred percent (100%) of the real property owners of the area to be annexed have petitioned the governing board for annexation to the service district.

(c) Report. — Prior to the public hearing required by subsection (d), the consolidated city-county shall prepare a report containing:

(1) A map of the urban service district and the adjacent territory, showing the present and proposed boundaries of the district;

(2) A statement showing that the area to be annexed meets the standards of subsection (a) or comes before the governing board by petition as provided by subsection (b); and

(3) A plan for extending urban services, facilities and functions to the area to be annexed.

The report shall be available in the office of the clerk of the consolidated city-county for at least two weeks prior to the date for the public hearing.

(d) Hearing and Notice. — The governing board shall hold a public hearing prior to adoption of any resolution extending the boundaries of an urban service district. Notice of the hearing shall state the date, hour and place of the hearing and its subject, and shall include a statement that the report required by subsection (c) is available for inspection in the office of the clerk of the consolidated city-county. Notice shall be published in a newspaper of general circulation in the county at least once and not less than one week prior to the date of the hearing. In addition notice shall be mailed at least four weeks prior to the date of the hearing to the owners as shown by the tax records of the consolidated city-county on all property located within the area to be annexed. The person designated by the governing board to mail the notice shall certify to the governing board that the mailing has been completed, and his certificate shall be conclusive in the absence of fraud.

(e) Effective Date. — The resolution extending the boundaries of the district shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the governing board.

(f) A consolidated city-county may not utilize the procedures of this section to annex to an urban service district territory within the boundaries of an active incorporated municipality. (1973, c. 537, s. 1.)

§ 160B-8. Consolidation of urban service districts. — (a) Standards. — The governing board, by resolution, may consolidate two or more urban service districts upon finding that:

(1) The districts are contiguous or are in a continuous boundary; and

(2) The provision or maintenance of urban services, facilities and functions for each of the districts is substantially the same; or

(3) If the provision or maintenance of urban services, facilities and functions is lower for one of the districts, there is a need to increase those services, facilities and functions for that district. However, no

urban service district providing electric or telephone services may be consolidated with any other urban service district unless the voters of the district providing these utility services approve the consolidation in a referendum held for that purpose. Any consolidated city-county may hold these referendums.

(b) Report. — Prior to the public hearing required by subsection (c), the consolidated city-county shall prepare a report containing:

(1) A map of the districts to be consolidated;

(2) A statement showing the proposed consolidation meets the standards of subsection (a); and

(3) If necessary, a plan for increasing the urban services, facilities and functions for one of the districts so that they are substantially the same throughout the consolidated district.

The report shall be available in the office of the clerk of the consolidated city-county for at least two weeks prior to the date of the public hearing.

(c) Hearing and Notice. — The governing board shall hold a public hearing prior to adoption of any resolution consolidating urban service districts. Notice of the hearing shall state the date, hour and place of the hearing and its subject, and shall include a statement that the report required by subsection (b) is available for inspection in the office of the clerk of the consolidated city-county. Notice shall be published in a newspaper of general circulation in the county at least once and not less than two weeks prior to the date of the hearing. In addition, if the services, facilities and functions for one of the districts will be substantially increased as a result of the consolidation, notice shall be mailed at least four weeks prior to the date of the hearing to the owners as shown by the tax records of the consolidated city-county of all property located within the district. The person designated by the governing board to mail the notice shall certify to the governing board that the mailing has been completed and his certificate shall be conclusive in the absence of fraud.

(d) Effective Date. — The consolidation of urban service districts shall take effect at the beginning of a fiscal year commencing after passage of the resolution of consolidation, as determined by the governing board. (1973, c. 537, s. 1.)

§ 160B-9. Required provision or maintenance of services, facilities and functions. — (a) New District. — When a consolidated city-county defines a new urban service district, it shall provide or maintain the services, facilities and functions for which the residents of the district are being taxed within a reasonable time, not to exceed one year, after the effective date of the definition of the district.

(b) Extended District. — When a consolidated city-county annexes territory to an urban service district, it shall provide or maintain the services, facilities and functions provided or maintained throughout the district to the residents of the area annexed to the district within a reasonable time not to exceed one year, after the effective date of the annexation.

(c) Consolidated District. — When a consolidated city-county consolidates two or more urban service districts, one of which has provided or maintained a lower level of urban services, it shall increase the services, facilities and functions within that district to a level comparable to those provided or maintained elsewhere in the consolidated district within a reasonable time, not to exceed one year, after the effective date of the consolidation. (1973, c. 537, s. 1.)

§ 160B-10. Abolition of urban service districts. — Upon finding that there is no longer a need for a particular urban service district, the governing board, by resolution, may abolish that district. The governing board shall hold a public hearing prior to adoption of a resolution abolishing a district. Notice of the hearing shall state the date, hour and place of the hearing, and its subject, and

shall be published in a newspaper of general circulation in the county at least once a week for two successive weeks prior to the date of the hearing. The abolition of any urban service district shall take effect at the end of a fiscal year following passage of the resolution, as determined by the governing board. (1973, c. 537, s. 1.)

Article 3.

Levy of Taxes in Urban Service Districts.

§ 160B-11. Taxes authorized; limits. — A consolidated city-county may levy the following taxes within defined urban service districts in addition to those levied throughout the county, in order to finance, provide or maintain for the districts services, facilities and functions in addition to or to a greater extent than those financed, provided or maintained for the entire county.

(1) Property Taxes. — A consolidated city-county may levy within any urban service district a tax on property at a rate not to exceed one dollar and fifty cents ($1.50) on the one hundred dollars ($100.00) of appraised valuation. This rate limitation does not apply to property taxes levied (i) for debt service on general obligation bonds of the consolidated city-county, (ii) for the support of the public schools or (iii) for any purpose approved by a special vote of the people.

(2) Motor Vehicle and Taxicab License Taxes. — A consolidated city-county may levy within any urban service district the motor vehicle and taxicab license taxes authorized in G.S. 20-97.

(3) Privilege License Taxes. — A consolidated city-county may levy within any urban service district privilege license taxes as authorized for cities and towns under the general law of the state. (1973, c. 537, s. 1.)

Article 4.

Allocation of Other Revenues.

§ 160B-12. Other allocation authorized. — A consolidated city-county may allocate to any urban service district it creates any other revenues of the consolidated government whose use is not otherwise restricted by law. (1973, c. 537, s. 1.)

§ 160B-13. Authority to borrow money and issue bonds. — A consolidated city-county may borrow money and issue its bonds under Chapter 159, Subchapter IV, and for those purposes shall be considered a unit of local government under Article 4 thereof and a municipality under Article 5 thereof. A consolidated city-county may borrow money and issue its bonds for any purpose for which either a city or a county may do so. (1973, c. 537, s. 1.)

§ 160B-14. Procedure for issuing general obligation and revenue bonds. — In issuing its general obligation and revenue bonds, a consolidated city-county, except as expressly modified by this Chapter, is subject to the provisions of Chapter 159 of the General Statutes of North Carolina.

If a proposed bond issue is required by law to be submitted to and approved by the voters of the consolidated government, and if the proceeds of the proposed bond issue are to be used in connection with a service, facility or function that is or, if the bond issue is approved, will be financed, provided or maintained only for one or more urban service districts, the proposed bond issue must be approved concurrently by a majority of those voting throughout the entire consolidated government and by a majority of the total of those voting in all the affected or to be affected urban service districts. (1973, c. 537, s. 1.)

§ 160B-15. Debt limitations. — The net indebtedness in the form of general obligations of a consolidated city-county for school purposes may not exceed eight percent (8%) of the appraised valuation of taxable property in the county. The net indebtedness in the form of general obligations of a consolidated city-county for all purposes other than for schools or water, sewerage, gas and electric purposes may not exceed eight percent (8%) of the appraised valuation of taxable property in the county. No other debt limitations applying to counties and municipalities in North Carolina apply to a consolidated city-county. (1973, c. 537, s. 1.)

Chapter 161.

Register of Deeds.

Article 1.

The Office.

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ARTICLE 1.

The Office.

§ 161-1. Election and term of office. — In each county there shall be elected biennially by the qualified voters thereof, as provided for the election of members of the General Assembly, a register of deeds. (Const., art. 7, s. 1; Rev., s. 2650; C. S., s. 3543.)

Cross Reference. — As to time of election, see § 163-1.

Legislature May Change Duties and Emolument. — The office of register of deeds is constitutional, but the duties are statutory, and the legislature may, within reasonable limits, change the duties and diminish the emoluments of the office, if the public welfare requires it to be done. Fortune v. Commissioners, 140 N.C. 322, 52 S.E. 950 (1905).

§ 161-2. Four-year term for registers of deeds; counties excepted. — At the general election for the year 1936 and quadrennially thereafter there shall be elected in each county of this State by the qualified voters thereof a register of deeds, who shall serve for a term of four years from the first Monday in December after his election and until his successor is elected and qualified: Provided, however, that this section shall not apply to Alexander, Ashe, Beaufort, Cherokee, Clay, Dare, Davidson, Halifax, Haywood, Hyde, Jackson, Johnston, Lincoln, Macon, Mitchell, Moore, Orange, Rowan, Swain, Vance and

Yadkin Counties. (1935, cc. 362, 392, 462; 1937, c. 271; 1939, cc. 11, 99; 1941, c. 192; 1949, cc. 756, 830; 1957, c. 1022, s. 2; 1973, c. 215, s. 1.)

§ 161-3. Oath of office. — The register of deeds shall take the oath of office on the first Monday of December next after his election, before the board of county commissioners. (1868, c. 35, s. 2; 1876-7, c. 276, s. 5; Code, s. 3647; Rev., s. 2652; C. S., s. 3544.)

Cross Reference. — As to form of oath, see § 11-11.

§ 161-4. Bond required. — (a) Every register of deeds shall give bond with sufficient surety, to be approved by the board of county commissioners, in a sum of not less than ten thousand dollars ($10,000) nor more than fifty thousand dollars ($50,000), payable to the State, and conditioned for the safekeeping of the books and records, and for the faithful discharge of the duties of his office.

(b) The bond and surety required under subsection (a) shall further be conditioned for the safekeeping of the books and records, and for the faithful discharge of the duties of office of the register of deeds by any incumbent assistant and deputy register of deeds appointed prior to the vacancy pursuant to G.S. 161-6 and holding over after vacancy in the office of register of deeds for the interim, as provided in G.S. 161-5(b). (1868, c. 35, s. 3; 1876-7, c. 276, s. 5; Code, s. 3648; 1899, c. 54, s. 52; Rev., s. 301; C. S., s. 3545; 1963, c. 204; 1965, c. 900; 1969, c. 636.)

Local Modification. — Dare: 1907, c. 75; Nash: 1955, c. 690.

Office Vacated unless Bond Given. — The board of commissioners may declare the office vacant for failure of the register to give a sufficient bond. State v. Patterson, 97 N.C. 360, 2 S.E. 262 (1887).

All Official Acts Included in Duties of Office. — The words "and faithfully discharge the duties of his office," in the bond of a register of deeds, do not refer alone to the safekeeping of the "records and books," but to all other official acts, the nonperformance of which results in injury. State v. Young, 106 N.C. 567, 10 S.E. 1019 (1890).

Breach of Bond. — As to failure to register instrument as breach of bond, see § 161-14. As to failure to index and cross-index, see § 161-22.

§ 161-5. Vacancy in office. — (a) When a vacancy occurs from any cause in the office of register of deeds, the board of county commissioners shall fill such vacancy by the appointment of a successor for the unexpired term, who shall qualify and give bond as required by law.

In those counties subject to this paragraph, when a vacancy occurs from any cause in the office of register of deeds, the board of county commissioners shall fill such vacancy by appointment of a successor for the unexpired term. The successor shall be from the same political party as the register of deeds being succeeded, and shall qualify and give bond as required by law. The appointment shall be from a list of three persons recommended by the county executive committee of the same political party as the register of deeds being succeeded, and these recommendations shall be made within 30 days of the vacancy and the appointment shall be made within 30 days from the receipt of recommendations; provided, if no recommendations are made within 30 days the county commissioners may proceed to fill the vacancy. This paragraph shall apply only to the Counties of Buncombe, Cherokee, Clay, Forsyth, Graham, Haywood, Jackson, Macon, Madison, Swain and Transylvania.

(b) In the interim between such vacancy in the office of register of deeds and the appointment and qualification of a successor register of deeds, under the provisions of subsection (a), any incumbent assistant or deputy register of deeds appointed under G.S. 161-6 prior to the vacancy shall continue to hold office as assistant or deputy registers of deeds until discharged or otherwise lawfully

relieved of office by the lawful successor to the office of register of deeds. (1868, c. 35, s. 4; Code, s. 3649; Rev., s. 2651; C. S., s. 3546; 1965, c. 900; 1975, c. 868, ss. 1, 2.)

Local Modification. — Beaufort: 1975, c. 202.

Cross Reference. — As to validation of acts of assistant and deputy registers of deeds performed pending filling of vacancy in office of register of deeds, see § 161-28.

Editor's Note. — The 1975 amendment added the second paragraph of subsection (a).

Office Declared Vacated. — The county commissioners may appoint a successor to the office of register of deeds where they have declared the office vacant by reason of the incumbent's failure to give a sufficient bond. State v. Patterson, 97 N.C. 360, 2 S.E. 262 (1887).

§ 161-6. Appointment of assistant and deputy registers of deeds; authority to sign in name of register of deeds; holdover assistants and deputies. — (a) The registers of deeds of the several counties are hereby authorized to appoint one or more assistant registers of deeds and one or more deputy registers of deeds, whose acts as assistants or deputies shall be valid and for which the registers of deeds shall be officially responsible. The certificate of appointment of an assistant or deputy shall be filed by the appointing register of deeds in the office of the clerk of the superior court, who shall record the same.

(b) Each assistant and deputy register of deeds so appointed shall be authorized, in addition to his other powers and duties, to register and sign instruments and documents in the name and under the title of the appointing register of deeds, by himself as assistant or deputy, as appropriate. Such signing shall be substantially as follows:

John Doe, Register of Deeds

by Richard Roe, Assistant (or Deputy, as appropriate).

(c) Such registering and signing, when regular and sufficient in all other respects, shall be valid for all purposes, and of the same force and effect as if the instrument or document had been registered and signed by the register of deeds personally.

(d) Wherever in the General Statutes reference is made to "the register of deeds and (or) his assistant" or "the register of deeds and (or) his deputy" or words substantially to this effect, or reference is made only to "the assistant register of deeds" or "the deputy register of deeds," such reference to either assistant or deputy, unless the contrary intent is specifically stated in the text, shall also include the other, insofar as such reference pertains to the authority, powers, duties, rights, privileges, or qualifications for office of assistant or deputy register of deeds.

(e) Incumbent assistant and deputy registers of deeds holding over after a vacancy in the office of register of deeds, pursuant to the provisions of G.S. 161-5(b), shall continue to have and exercise all lawful power and authority of office until lawfully relieved of office, including, but not restricted to, all power and authority set forth in subsections (a), (b), (c) and (d), and in Chapter 161 generally, and their acts as assistant or deputy registers of deeds shall be official and valid, and the appointing register of deeds, or his estate, and the official bond under G.S. 161-4 shall be responsible for their acts as assistant or deputy registers of deeds, and such assistant or deputy register of deeds shall also be individually, personally and officially responsible for his own acts. (1909, c. 628, s. 1; C. S., s. 3547; 1949, c. 261; 1959, c. 279; 1963, c. 191; 1965, c. 900.)

Local Modification. — Dare: 1907, c. 393; Durham: 1909, c. 91; Person: 1909, c. 546.

Cross Reference. — As to validation of acts of assistant and deputy registers of deeds performed pending filling of vacancy in office of register of deeds, see § 161-28.

Editor's Note. — For brief comment on the 1949 amendment, see 27 N.C.L. Rev. 476.

§ 161-7. Office at courthouse. — The register shall keep his office at the courthouse unless the board of county commissioners shall deem it impracticable. (1868, c. 35, s. 5; Code, s. 3650; Rev , s. 2653; C. S., s. 3548.)

§ 161-8. Attendance at office. — The board of county commissioners may fix by order, to be entered on their records, what days of each week, and at what hours of each day, the register of deeds shall attend at his office in person or by deputy, and he shall give his attendance accordingly. (1868, c. 35, s. 6; Code, s. 3651; Rev., s. 2654; C. S., s. 3549.)

Free Abstracts Not Required. — While it is the duty of the register of deeds to permit all persons to inspect the records committed to his custody, he will not be required, without the payment of his proper fees, to allow anyone to make copies or abstracts therefrom. Newton v. Fisher, 98 N.C. 20, 3 S.E. 822 (1887).

§ 161-9. Official seal. — The office of register of deeds for every county shall have and use an official seal or stamp, which shall be provided by the county commissioners. The official seal or stamp shall be round, and the size shall not exceed one and five-eighths inches in diameter. Contained thereon shall be the name of the register of deeds, the county and letters "N.C.," and the words "Register of Deeds." The ink used for the official stamp shall be of the reproducible type; provided, that any register of deeds using a nonconforming seal or stamp prior to July 1, 1969 may continue to use such seal or stamp. (1893, c. 119, s. 1; Rev., s. 2649; C. S., s. 3550; 1969, c. 1028.)

§ 161-10. Uniform fees of registers of deeds. — (a) In the performance of his duties, the register of deeds shall collect the following fees which shall be uniform throughout the State:

(1) Instruments in General. — For registering or filing any instrument for which no other provision is made by this section, whether written, printed, or typewritten, the fee shall be two dollars ($2.00) for the first page, which page shall not exceed eight and one-half inches by 14 inches, plus one dollar ($1.00) for each additional page or fraction thereof. A page exceeding eight and one-half inches by 14 inches shall be considered two pages.

(2) Marriage Licenses. — For issuing a license — seven dollars ($7.00); for issuing a delayed certificate with one certified copy — five dollars ($5.00); and for a proceeding for correction of names in application, license or certificate, with one certified copy — five dollars ($5.00).

(3) Plats. — For each original or revised plat recorded — seven dollars ($7.00); for furnishing a certified copy of a plat — two dollars ($2.00).

(4) Right-of-Way Plans. — For each original or amended plan and profile sheet recorded — five dollars ($5.00). This fee is to be collected from the Board of Transportation.

(5) Registration of Birth Certificate Four Years or More after Birth. — For preparation of necessary papers when birth to be registered in another county — two dollars and fifty cents ($2.50); for registration when necessary papers prepared in another county, with one certified copy — two dollars and fifty cents ($2.50); for preparation of necessary papers and registration in the same county, with one certified copy — five dollars ($5.00).

(6) Amendment of Birth or Death Record. — For preparation of amendment and effecting correction — one dollar ($1.00).

(7) Legitimations. — For preparation of all documents concerned with legitimations — five dollars ($5.00).

(8) Certified Copies of Birth and Death Certificates and Marriage Licenses. — For furnishing a certified copy of a death or birth certificate or marriage license — one dollar ($1.00).

(9) Certified Copies. — For furnishing a certified copy of any instrument for which no other provision is made by this section — one dollar ($1.00) per page or fraction thereof.

(10) Comparing Copy for Certification. — For comparing and certifying a copy of any instrument filed for registration, when the copy is furnished by the party filing the instrument for registration and at the time of filing thereof — one dollar ($1.00).

(11) Uncertified Copies. — When, as a convenience to the public, the register of deeds supplies uncertified copies of instruments, he may charge fees that in his discretion bear a reasonable relation to the quality of copies supplied and the cost of purchasing and maintaining copying equipment. These fees may be changed from time to time, but the amount of these fees shall at all times be prominently posted in his office.

(12) Acknowledgment. — For taking an acknowledgment, oath, or affirmation or for the performance of any notarial act — one dollar ($1.00). This fee shall not be charged if the act is performed as a part of one of the services for which a fee is provided by this subsection; except that this fee shall be charged in addition to the fees for registering, filing or recording instruments or plats as provided by subdivisions (1) and (3) of this subsection.

(13) Uniform Commercial Code. — Such fees as are provided for in Chapter 25, Article 9, Part 4, of the General Statutes.

(14) Torrens Registration. — Such fees as are provided in G.S. 43-5.

(15) Master Forms. — Such fees as are provided for instruments in general.

(16) Probate. — For certification of instruments for registration as provided in G.S. 47-14 — fifty cents ($.50).

(17) Qualification of Notary Public. — For administering the oaths of office to a notary public and making the appropriate record entries as provided in G.S. 10-2 — three dollars ($3.00).

(18) Reinstatements of Articles of Incorporation. — For filing reinstatements of articles of incorporation prepared pursuant to G.S. 105-232 — two dollars ($2.00). The fee shall be paid by the corporation affected.

(b) The uniform fees set forth in this section are complete and exclusive and no other fees shall be charged by the register of deeds.

(c) These fees shall be collected in every case prior to filing, registration, recordation, certification or other service rendered by the register of deeds unless by law it is provided that the service shall be rendered without charge. (Code, ss. 710, 3109, 3751; 1887, c. 283; 1891, c. 324; 1897, cc. 27, 68; 1899, c. 17, s. 2; c. 247, s. 3; cc. 261, 302, 578, 723; 1901, c. 294; 1903, c. 792; 1905, cc. 226, 292, 319; Rev., s. 2776; 1911, c. 55, s. 3; C. S., s. 3906; 1967, c. 639, s. 4; c. 823, s. 33; 1969, c. 80, s. 1; c. 912, s. 3; 1973, c. 507, s. 5; c. 1317; 1975, c. 428.)

Local Modification. — Beaufort: 1949, c. 368, s. 3; Cabarrus: 1945, c. 880, s. 3; Chowan: 1947, c. 490; Gaston: 1951, c. 868; Guilford: 1949, c. 602; Hertford: 1955, c. 619; Iredell: 1959, c. 654; Jones: 1961, c. 569; McDowell: 1953, c. 728; Pender: 1945, c. 430; Perquimans: 1949, c. 664; 1953, c. 660; 1955, c. 108; Richmond: 1951, c. 529.

Cross Reference. — See Editor's note to § 53-5.

Editor's Note. — The 1975 amendment added subdivision (18) of subsection (a).

Opinions of Attorney General. — Miss Frances H. Burwell, Stokes County Register of Deeds, 40 N.C.A.G. 611 (1969).

§ 161-10.1. Exemption of armed forces discharge documents and certain other records needed in support of claims for veterans' benefits. — Any schedule of fees which is now or may be prescribed in Chapter 161 of the General Statutes or in G.S. 161-10 shall not apply to nor shall the same repeal any of the provisions of Article 5 of Chapter 47 of the General Statutes. Any schedule of fees which is now or may be hereafter prescribed in Chapter 161 of the General Statutes or as may appear in G.S. 161-10 shall not apply to nor shall the same repeal any of the provisions of G.S. 165-11. (1971, c. 679.)

§ 161-10.2: Repealed by Session Laws 1969, c. 80, s. 6.

§ 161-11: Repealed by Session Laws 1973, c. 1027.

ARTICLE 2.

The Duties.

§§ 161-12, 161-13: Repealed by Session Laws 1973, c. 1027.

§ 161-14. Registration of instruments. — (a) The register of deeds shall immediately register all written instruments presented to him for registration. When an instrument is presented for registration, the register of deeds shall indorse upon it the day and hour on which it was presented. This indorsement forms a part of the registration of the instrument. All instruments shall be registered in the precise order in which they were presented for registration. Immediately after indorsing the day and hour of presentation upon an instrument, the register of deeds shall index and cross-index it in its proper sequence. He shall then proceed to register it on the day that it is presented unless a temporary index has been established.

The register of deeds may, in his discretion, establish a temporary index in which all instruments presented for registration shall be indexed until they are registered and entered in the permanent indexes. A temporary index shall operate in all respects as the permanent index. All instruments presented for registration shall be registered and indexed and cross-indexed on the permanent indexes not later than 30 days after the date of presentation.

(b) All instruments presented for registration shall be on paper and in ink of a color, quality, size, and condition that will permit the production of legible and permanent reproductions thereof by photographic or microphotographic processes. If an instrument presented for registration is in a condition that will not permit such reproduction, the register of deeds shall endorse thereon the following notation: "Record of poor quality due to condition of original document." He shall then register the instrument in the usual manner. (R. C., c. 37, s. 23; 1868, c. 35, s. 9; Code, s. 3654; Rev., s. 2658; C. S., s. 3553; 1921, c. 114; 1971, c. 657.)

Cross References. — As to requisites and formalities of the registration of deeds and mortgages, generally, see § 47-17 et seq. As to indexing of instruments, see also §§ 161-21, 161-22.

Editor's Note. — Session Laws 1945, c. 649, requires register of deeds of Pamlico County to show fees collected on recorded papers and to keep records of same.

Section Means Complete Registration. — This section means a registration complete and perfect, so that it may serve all the purposes of the law in protecting the rights of parties directly interested, and give notice truly to the public. State v. Young, 106 N.C. 567, 10 S.E. 1019 (1890).

Indexing and Cross-Indexing Essential to Proper Registration. — See note to § 161-22.

Failure to Register Breach of Bond. — Failure of the register of deeds to register written instruments properly presented is a breach of the bond required by § 161-4. Bank of Spruce Pine v. McKinney, 209 N.C. 668, 184 S.E. 506 (1936).

Filing Has Effect of Registration. — The filing for registration is in law registration, and all rights and liabilities accrue from the date of filing and do not depend upon the greater or

lesser diligence of the register in performing his duty. Glanton v. Jacobs, 117 N.C. 427, 23 S.E. 335 (1895).

Delivery to Proper Officer Necessary to Filing. — Where the filing of a paper in the office of the register of deeds is necessary to the title to lands, the time thereof will be considered as that at which the paper was delivered to and received by the proper officers; and while the file mark of the officer is evidence as to the time, it is not essential under the North Carolina statutes. Carolina-Tennessee Power Co. v. Hiawassee River Power Co., 175 N.C. 668, 96 S.E. 99 (1918).

Same — Delivery at Office. — It is required for a valid filing of a mortgage that it be delivered at the register of deeds, official office, and where a paper was delivered to the register outside of his office it is ineffectual until he returns and makes the proper entry. McHan v. Dorsey, 173 N.C. 694, 92 S.E. 598 (1917).

Sufficiency of Acknowledgment. — A certificate by the clerk of the superior court that the officers of the corporation who signed the deed "acknowledged the due execution of the annexed instrument for the purpose therein set forth," was sufficient to warrant the registration of the deed. Heath, Springs & Co. v. Big Falls Cotton Mills, 115 N.C. 202, 20 S.E. 369 (1894).

Registry Dated When Fees Paid. — A deed was handed to the register for registration, but he refused to register it because his fees were not paid, and the deed was left in his office for several months, when, the fees being paid, he made an endorsement that it was filed on the day first presented, followed by an explanatory endorsement reciting the facts. It was held that the register was not compelled to register before his fees were paid, and the facts did not constitute a filing for registration on the day when the deed was first presented to the register. Cunninggim v. Peterson, 109 N.C. 33, 13 S.E. 714 (1891).

Endorsement Unnecessary. — The endorsement required to be made by register of deeds on mortgages and deeds in trust on the day on which such deeds are presented to him for registration, is not essential to registration; and when made is not conclusive evidence, but only prima facie evidence, of the facts therein recited. Cunninggim v. Peterson, 109 N.C. 33, 13 S.E. 714 (1891).

Clerical Mistake. — A registry of a mortgage is not void because of a clerical mistake made by the register in transcribing, which does not affect the sense and provision as to the amount secured, description of property, etc., or obscure the meaning of the instrument. Royster v. Lane, 118 N.C. 156, 24 S.E. 796 (1896).

Omission of Signatures. — The registration of a deed showing the probate, including the separate examination of the wife, and the order of registration, and the names of the grantors, but omitting a copy of their signatures at the end of the instrument is sufficient notice under this section. Smith v. Ayden Lumber Co., 144 N.C. 47, 56 S.E. 555 (1907).

Omission of Corporate Seal. — The failure of the register of deeds to copy the seal of the corporation on his books, or make an imitation copy thereon, does not render the conveyance of the lands invalid where the recitals in the deed signify that the seal was in fact attached, it appears upon the original, and the books show the name of the corporation appearing in brackets therein at its proper location. Heath, Springs & Co. v. Big Falls Cotton Mills, 115 N.C. 202, 20 S.E. 369 (1894); Lockville Power Corp. v. Carolina Power & Light Co., 168 N.C. 219, 84 S.E. 398 (1915).

Omission of Great Seal of State. — The fact that it does not appear of record that a scroll or imitation of the great seal of the State was copied thereon, does not invalidate the registry of the grant. The recital in the body of the grant, as recorded, of the affixing of the seal is sufficient evidence of its regularity. Broadwell v. Morgan, 142 N.C. 475, 55 S.E. 340 (1906).

Correction of Omission or Error. — Where the register has committed an error or omission in the recordation of an instrument he has the power to correct such error. Brown v. Hutchinson, 155 N.C. 205, 71 S.E. 302 (1911).

Certificates of Registration Prima Facie Evidence. — The certificates of registration made by registers of deeds are prima facie evidence of the facts therein recited. Sellers v. Sellers, 98 N.C. 13, 3 S.E. 917 (1887).

Cited in Moore v. Ragland, 74 N.C. 343 (1876); Fleming v. Graham, 110 N.C. 374, 14 S.E. 922 (1892).

§ 161-14.01. Registration of instruments for business and other purposes. — (a) The register of deeds is hereby authorized to record and file documents relating to persons, partnerships, and corporations for business and other purposes, including but not limited to certificates of partnerships, assumed business names, incorporations, dissolutions, or amendments thereto, in a consolidated book or record, including books or records used for the filing of deeds, deeds of trust, leases, and similar documents. It is the intent of this section that the register of deeds may file and record some or all of the above instruments and documents and those of a similar nature in one book or record

or in a series of books or records consolidated for recording purposes; provided, said instruments and documents shall be indexed as required by law.

(b) All other laws providing for the filing of documents provided for herein shall not be applicable to the county upon adoption by the register of deeds of a consolidated recording and filing system as authorized herein. (1973, c. 1013, ss. 1, 2.)

§ 161-14.1. Recording subsequent entries as separate instruments in counties using microfilm. — In any county in which instruments are recorded in the office of the register of deeds by a microphotographic process or by any other method or process which renders impractical or impossible the subsequent entering of marginal notations upon the records of instruments, the register of deeds may, except as provided in G.S. 45-37.2 and 45-38, record all subsequent entries as separate instruments. Such instruments shall contain the information and notations required by law for the appropriate marginal entry, a reference by book and page number to the record of the instrument modified, and the date of recording the subsequent modifying instrument. There shall also be entered in the alphabetical indexes kept by the register of deeds, opposite the name of each indexed party to the original instrument, a reference by book and page to the record of the subsequent modifying instrument. (1963, c. 1021, s. 3.)

§ 161-14.2. Indexing procedures for instruments and documents filed in the office of the register of deeds. — The following procedure shall be used in making index entries:

(1) When each word of the signature is legible and it gives the complete name of the party, the signature shall govern.

(2) When the signature is legible but initials or abbreviations are used, any additional information given by the printed or typed name and not in conflict with the signature shall govern.

(3) When none of the words in the signature are legible, the printed or typed name shall govern.

(4) When one or more of the words in the signature are legible, then the words that are legible shall govern; the words that appear in the printed or typed name shall govern over the words of the signature that are not legible.

(5) When the spelling of any word in a legible signature and the spelling of the corresponding word in the typed or printed name is at variance, and the variance would cause the entries to be made at different places in the index, then the instrument shall be indexed under both spellings.

(6) When a reasonable interpretation of an illegible word in a signature is at variance with the corresponding word in a typed or printed name, and the variance would cause the entries to be made at different places in the index, then the instrument shall be indexed in both places. (1969, c. 694, s. 1.)

§ 161-15. Certify and register copies. — When a deed, mortgage, or other conveyance conveying real estate situate in two or more counties is presented for registration duly probated and a copy thereof is presented with the same, the register shall compare the copy with the original, and if it be a true copy thereof he shall certify the same, and thereupon the register shall endorse the original deed or conveyance as duly registered in his county, designating the book in which the same is registered, and deliver the original deed to the party entitled thereto and register the same from the certified copy thereof to be retained by him for that purpose. (1899, c. 302; Rev., s. 2657; C. S., s. 3554.)

§ 161-16. Liability for failure to register. — In case of his failure to register any deed or other instrument within the time and in the manner required by G.S. 161-15, the register shall be liable, in an action on his official bond, to the party

injured by such delay. (1868, c. 35, s. 10; Code, s. 3660; Rev., s. 2659; C. S., s. 3555.)

Failure to Register or Properly Index and Cross-Index Is a Breach of Bond. — The failure of the register of deeds to register instruments properly presented or his failure to properly index and cross-index them is a breach of his statutory bond, § 161-4, for which he and the surety on his bond are liable to the person injured by such breach under this section. Bank of Spruce Pine v. McKinney, 209 N.C. 668, 184 S.E. 506 (1936).

A register is liable for wrongly recording the amount of a mortgage, to a person injured thereby. State v. Young, 106 N.C. 567, 10 S.E. 1019 (1890).

Abatement of Action by Death. — See Wallace v. McPherson, 139 N.C. 297, 51 S.E. 897 (1905).

§ 161-17. Papers filed alphabetically. — The register shall keep in files alphabetically labeled all original instruments delivered to him for registration, and on application for such originals by any person entitled to their custody, he shall deliver the same. (1868, c. 35, s. 11; Code, s. 3661; Rev., s. 2660; C. S., s. 3556.)

§ 161-18. Transcribe and index books. — The board of county commissioners, when they deem it necessary, may direct the register of deeds to transcribe and index such of the books in the register's office as from decay or other cause may require to be transcribed and indexed. They may allow him such compensation at the expense of the county for this work as they think just. The books when so transcribed and approved by the board shall be public records as the original books, and copies therefrom may be certified accordingly. (1868, c. 35, s. 12; Code, s. 3662; Rev., s. 2661; C. S., s. 3557.)

§ 161-19. Number of survey in grants registered. — The register of deeds in each county in this State, when grants have been registered without the number of tract or survey, shall place in the registration of the grants the number of the tract or survey, when the same shall be furnished him by the grantee or other person; and in registering any grant he shall register the number of the tract or survey. (1889, c. 522, s. 2; Rev., s. 2662; C. S., s. 3558.)

§ 161-20. Certificate of survey registered. — It shall be the duty of the register of deeds in each county, when any grant is presented for registration with a certificate of survey attached, to register such certificate of survey, together with all endorsements thereon, together with said grant, and a record of any certificate of survey so made shall be read in evidence in any action or proceeding: Provided, the failure to register such certificate of survey shall not invalidate the registration of the grant. (1905, c. 243; Rev., s. 2663; C. S., s. 3559.)

§ 161-21. General index kept. — The board of county commissioners, at the expense of the county, shall cause to be made and consolidated into one book a general index of all the deeds and other documents in the register's office, and the register shall afterwards keep up such index without any additional compensation. The board of county commissioners shall also have the authority to install the modern "Family" index system and wherever the "Family" index system is in use, no instruments shall be lawfully recorded until indexed and cross-indexed under the appropriate family name and the appropriate alphabetical subdivision of said family name, according to the particular system in use. (1868, c. 35, s. 13; Code, s. 3663; Rev., s. 2664; C. S., s. 3560; 1929, c. 327, s. 1.)

Cross Reference. — See note to § 161-22.

Cited in Woodley v. Gregory, 205 N.C. 280, 171 S.E. 65 (1933); Dorman v. Goodman, 213 N.C. 406, 196 S.E. 352 (1938); Tocci v. Nowfall, 220 N.C. 550, 18 S.E.2d 225 (1942); McKnight v. M. & J. Fin. Corp., 247 F.2d 112 (4th Cir. 1957).

§ 161-22. Index and cross-index of registered instruments. — The register of deeds shall provide and keep in his office full and complete alphabetical indexes of the names of the parties to all liens, grants, deeds, mortgages, bonds and other instruments of writing required or authorized to be registered; such indexes to be kept in well-bound books, and shall state in full the names of all parties, whether grantors, grantees, vendors, vendees, obligors or obligees, and shall be indexed and cross-indexed, within 24 hours after registering any instrument, so as to show the name of each party under the appropriate letter of the alphabet; and wherever the "Family" index system shall be in use, to also show the name of each party under the appropriate family name and the initials of said party under the appropriate alphabetical arrangement of said index; and all instruments shall be indexed according to the particular system in use in the respective office in which the instrument is filed for record. Reference shall be made, opposite each name to the page, title or number of the book in which is registered any instrument: Provided, that where the "Family" system hereinbefore referred to has not been installed, but there has been installed an indexing system having subdivisions of the several letters of the alphabet, a registered instrument shall be deemed to be properly indexed only when the same shall have been indexed under the correct subdivision of the appropriate letter of the alphabet: Provided, further, that no instrument shall be deemed to be properly registered until the same has been properly indexed as herein provided: Provided, further, that in all counties where a separate index system is kept for chattel mortgages or other instruments concerning personal property, no instrument affecting the title to real estate shall be deemed to be properly registered until the same has been properly registered and indexed in the books and index system kept for real estate conveyances. A violation of this section shall constitute a misdemeanor.

Notwithstanding any provision to the contrary in this section or elsewhere in the General Statutes of North Carolina, the register of deeds may index deeds of trust in the name of the grantor and the trustee only.

The register of deeds of every county shall index any certificate filed in his office pursuant to G.S. 59-2, the Uniform Limited Partnership Act, only under the name of the partnership and of each of the general partners.

Every register of deeds shall cause a statement to be affixed or printed on the index page of the book or books in which limited partnership agreements are filed that such partnerships are indexed only under the name of the partnership and of each of the general partners. (1876-7, c. 93, s. 1; Code, s. 3664; 1899, c. 501; Rev., ss. 2665, 3600; C. S., s. 3561; 1929, c. 327, s. 2; 1967, cc. 443, 1262; 1973, c. 1136, ss. 1, 2.)

Local Modification. — Alamance: 1963, c. 739; 1965, cc. 17, 150; Buncombe: 1971, c. 1069; Duplin: 1963, c. 739; 1965, cc. 17, 150; Forsyth: 1963, c. 739; 1965, cc. 17, 150; 1971, c. 1069; Guilford: 1963, c. 739; 1965, cc. 17, 150; Orange: 1971, c. 1069; Wake and Wayne: 1963, c. 739; 1965, cc. 17, 150.

Section Mandatory. — The provisions of this section are mandatory. Woodley v. Gregory, 205 N.C. 280, 171 S.E. 65 (1933); Cuthrell v. Camden County, 254 N.C. 181, 118 S.E.2d 601 (1961).

Strict Compliance. — In its interpretation of the North Carolina recording statutes, the Supreme Court of that State has insisted on strict compliance. McKnight v. M. & J. Fin. Corp., 247 F.2d 112 (4th Cir. 1957).

Indexing and Cross-Indexing Is Essential to Proper Registration. — The indexing and cross-indexing of deeds or other instruments in writing filed with a register of deeds for registration, as required by § 161-4, is essential to their proper registration. Bank of Spruce Pine v. McKinney, 209 N.C. 668, 184 S.E. 506 (1936); Johnson Cotton Co. v. Hobgood, 243 N.C. 227, 90 S.E.2d 541 (1955).

Section 7A-109 does not require the cross-indexing of liens filed in the clerk's office and is not to be confused with the requirements

for registering liens, deeds, etc., in the office of the register of deeds as provided by this section which does require cross-indexing. Saunders v. Woodhouse, 243 N.C. 608, 91 S.E.2d 701 (1956).

The indexing of the deeds in the office of the register thereof is an essential part of the registration; and where the grantor's name has been omitted from the book, a subsequent grantee of the same lands from the same grantor acquires the title from him. Fowle & Son v. Ham, 176 N.C. 12, 96 S.E. 639 (1918). See Dorman v. Goodman, 213 N.C. 406, 196 S.E. 352 (1938) and comment thereon in 19 N.C.L. Rev. 77.

Effect of Erroneous Book and Page Number in Direct Index. — Where a chattel mortgage was duly transcribed upon the records in the office of the register of deeds in the chattel mortgage book and an erroneous book and page were given opposite the name of the grantor in the direct index and opposite the name of the grantee in the cross-index, but within two days of the time the chattel mortgage was transcribed on the records the cross-index was corrected, such indexing constituted a sufficient compliance with this section. Johnson Cotton Co. v. Hobgood, 243 N.C. 227, 90 S.E.2d 541 (1955).

Recording and indexing a mortgage executed by one not the owner of the property mentioned therein will not give constructive notice binding upon third parties dealing with the true owner. It is, at least as to third parties, as though no mortgage had been made. McKnight v. M. & J. Fin. Corp., 247 F.2d 112 (4th Cir. 1957).

Real Estate Mortgages. — The proper indexing of a mortgage upon lands is an essential part of its registration, and where the husband and wife make a mortgage on her lands which is only indexed by the register of deeds in the name of the husband, it is not good as against a subsequent purchaser for value by deed from the husband and wife that had been properly indexed and registered. Heaton v. Heaton, 196 N.C. 475, 146 S.E. 146 (1929).

Chattel Mortgages. — An indexing of chattel mortgages is an essential part of their registration. Whitehurst v. Garrett, 196 N.C. 154, 144 S.E. 835 (1928).

Where for years a proper index of chattel mortgages has been kept in the books wherein the instruments were registered, it is a substantial compliance with this section and § 161-21, it appearing that the record of the instrument could have been found with an ordinary search such as a man of ordinary prudence would have made. Whitehurst v. Garrett, 196 N.C. 154, 144 S.E. 835 (1928).

Indexing and cross-indexing deed of trust given by tenant and remainderman in name of life tenant only followed by the words "et als.," is not a sufficient compliance with the statute, and where another deed of trust is subsequently executed on the same lands which is registered, indexed and cross-indexed in compliance with the statute, the purchaser under foreclosure of the second deed of trust acquires title free from the lien of the improperly indexed prior deed of trust. Woodley v. Gregory, 205 N.C. 280, 171 S.E. 65 (1933), distinguishing Prudential Ins. Co. v. Forbes, 203 N.C. 252, 165 S.E. 699 (1932), in which the lien was indexed under "S.T. et ux."

Index of Mortgage on Land Held by Entireties under "J.H. and Wife". — Where the husband and wife mortgage their lands held by the entireties and the mortgage is indexed and cross-indexed under "J.H. and wife," the name of the wife not appearing on the index although it appeared on the mortgage deed, the index is sufficient to put a reasonable man upon inquiry which would have disclosed the facts, and upon the husband's death and the wife's remarriage, a mortgage given by the wife and her second husband is subject to the first mortgage, and the subsequent mortgagee is charged with notice thereof, and he may not restrain the first mortgagee from foreclosing his mortgage on the ground of insufficient indexing, although the name of the wife should have appeared on the index. West v. Jackson, 198 N.C. 693, 153 S.E. 257 (1930).

Capacity in Which Grantor Acted. — There is no law requiring that the cross-index shall show the capacity in which the grantor acted in the making or execution of a deed. Tocci v. Nowfall, 220 N.C. 550, 18 S.E.2d 225 (1942).

Filing at Same Instant of Time. — Where the record discloses that a purchase-money mortgage and another mortgage given to secure cash payment for land were filed for registration at the same instant of time, neither mortgage has priority over the other, but both constitute a first lien on the land, and the fact that one necessarily appeared before the other on the index of the day's transactions does not alter this result, since the record fails to show that the mortgages were not indexed at the same time. Hood v. Landreth, 207 N.C. 621, 178 S.E. 222 (1935).

Priority of Second Mortgage to One Not Indexed. — A mortgage duly filed for registration and spread upon the registry, but not indexed or cross-indexed as required by this section, is not superior to the lien of a duly registered "second mortgage" on the same property. Story v. Slade, 199 N.C. 596, 155 S.E. 256 (1930).

Under this section and § 161-21 a duly recorded chattel mortgage which is indexed and cross-indexed in the general chattel mortgage index has priority over a mortgage covering the same personal property and also certain real estate which is previously executed and recorded and indexed in the general real estate mortgage index but subsequently indexed and cross-indexed in the general chattel mortgage

index. Pruitt v. Parker, 201 N.C. 696, 161 S.E. 212 (1931).

Liability for Failure to Index — Breach of Bond. — The failure of a register of deeds to properly index the registry of a mortgage renders him liable on his official bond to one injured by such neglect. State v. Grizzard, 117 N.C. 105, 23 S.E. 93 (1895). See Watkins v. Simonds, 202 N.C. 746, 164 S.E. 363 (1932).

Failure of the register of deeds to properly index and cross-index registered instruments is a breach of the bond required by § 161-4. Bank of Spruce Pine v. McKinney, 209 N.C. 668, 184 S.E. 506 (1936).

Failure to Index Must Cause Damage. — While the register of deeds and the surety on his official bond are liable for his failure to index and cross-index instruments such liability does not arise to the individuals claiming damages therefor unless the default of the register in these particulars has been the proximate cause of injury to the claimant, and liability will not be imputed to the register of deeds when the negligence of the claimant or his agent has caused or concurred in causing the injury. State v. Hester, 177 N.C. 609, 98 S.E. 721 (1919), overruling Davis v. Whitaker, 114 N.C. 279, 19 S.E. 699 (1894). See also Ely v. Norman, 175 N.C. 294, 95 S.E. 543 (1918); Fowle & Son v. Ham, 176 N.C. 12, 96 S.E. 639 (1918).

§ 161-22.1. Index and cross-index of immediate prior owners of land. — Whenever any deed or other instrument conveying real property by a trustee, mortgagee, commissioner, or other officer appointed by the court, or by the sheriff under execution, is filed with the register of deeds for the purpose of being recorded, it shall be the duty of the register of deeds to index and cross-index as grantors the names of all persons recited in said instrument to be the persons whose interest in such real estate is being conveyed or from whom the title of such real estate was acquired by the grantor in such instrument. (1947, c. 211, ss. 1, 2; 1969, c. 80, s. 5.)

§ 161-23. Clerk to board of commissioners. — The register of deeds, or such other county officer or employee as the board of county commissioners shall designate in accordance with the provisions of G.S. 153-40, shall be ex officio clerk of the board of county commissioners, and as such shall perform the duties imposed by law or by order of said board. (Const., art. 7, s. 2; 1868, c. 35, s. 15; Code, s. 3656; Rev., s. 2666; C. S., s. 3562; 1955, c. 247, s. 2.)

Local Modification. — Guilford: 1955, c. 143; Wake: 1953, c. 644; 1959, c. 299.

Editor's Note. — Section 153-40 was repealed by Session Laws 1973, c. 822.

Same Office. — The register of deeds is ex officio clerk to the board of county commissioners, and the two positions are not separate offices. State v. Gouge, 157 N.C. 602, 72 S.E. 994 (1911).

§ 161-24: Repealed by Session Laws 1973, c. 108, s. 99.

§ 161-25: Repealed by Session Laws 1973, c. 803, s. 36.

§ 161-26. Duties unperformed at expiration of term. — Whenever, upon the termination for any cause of the term of office of the register of deeds, it appears that he has failed to perform any of the duties of his office, the board of commissioners shall cause the same to be performed by another person or the successor of any such defaulting register. Such person or successor shall receive for his compensation the fees allowed for such services, and if any portion of the compensation has been paid to such defaulting register, the same may be recovered by the board of county commissioners, by suit on his official bond, for the benefit of the county or person injured thereby. (1868, c. 35, s. 14; Code, s. 3655; Rev., s. 2669; C. S., s. 3566.)

§ 161-27. Register of deeds failing to discharge duties; penalty. — If any register of deeds fails to perform any of the duties imposed or authorized by law, he shall be guilty of a misdemeanor, and besides other punishments at the

discretion of the court, he shall be removed from office. (1868, c. 35, s. 18; Code, s. 3659; Rev., s. 3599; C. S., s. 3567.)

Cross References. — As to duty of register to issue marriage license, see § 51-8. As to penalty for issuing license unlawfully, see § 51-17. As to misconduct in public office and penalty therefor, see § 14-228 et seq. As to duty of register in regard to clerk's bonds, see § 109-28; in regard to strays, see § 79-1.

Issuing Marriage License Not Included. — A register of deeds is not liable under this section for issuing a license for the marriage of an infant female under 18 years of age, without the written consent of her parent or guardian. State v. Snuggs, 85 N.C. 541 (1881).

§ 161-28. Validation of acts of assistant and deputy registers of deeds performed pending filling of vacancy in office of register of deeds. — Any and all acts and duties performed by any and all assistant or deputy registers of deeds appointed and acting under the provisions of G.S. 161-6 or any other provisions of law, general, local, or special, after a vacancy may have occurred from any cause in the office of register of deeds, including, but not restricted to, a vacancy occurring as a result of the death in office of any incumbent register of deeds, and before the board of county commissioners shall have filled such vacancy by the appointment of a successor and his qualification for office as required by law, under and pursuant to the provisions of G.S. 161-5 and any other applicable provisions of law, shall be and the same are hereby validated, ratified and confirmed to all intents and purposes as if performed by an incumbent in the office of register of deeds and to all intents and purposes as if performed under and pursuant to specific provisions of law authorizing and empowering the register of deeds, or any assistant or deputy registers of deeds, to perform all such acts and duties. The provisions of this validating act shall include, but not be restricted to, all acts and duties of the office of register of deeds, or of the office of assistant or deputy register of deeds, as enumerated and set forth under the specific provisions of this Chapter, or under the provisions of any other general laws as set forth in the General Statutes of North Carolina, or in any other provisions of law, private, local or special. (1965, c. 835, s. 1.)

§ 161-29. Validating acts of assistant and deputy registers of deeds in failing to execute instruments in the name of the register of deeds. — (a) Any and all acts and duties performed by any and all assistant or deputy registers of deeds in executing any instrument, while acting under the provisions of G.S. 161-6 or any other provisions of law, general, local or special, which failed to substantially comply with G.S. 161-6(b), shall be and the same are hereby validated, ratified and confirmed to all intents and purposes as if executed in full compliance with G.S. 161-6(b).

(b) The provisions of this validating act shall include all acts and duties of the office of assistant or deputy register of deeds, as enumerated and set forth under the specific provisions of this Chapter, or under the provisions of any general laws as set forth in the General Statutes of North Carolina, or in any other provisions of law, private, local or special. (1973, c. 166, ss. 1, 2.)

§ 161-30. Modernization of land records. — (a) The county commissioners of any county may require that the register of deeds shall not accept for registration any map or instrument affecting real property unless the following requirements are satisfied:

(1) The name and address of the person to whom the map or instrument is to be returned is affixed on the face thereof.

(2) The grantee's or owner's permanent mailing address is affixed on the face thereof.

(b) In any county in which parcel identifiers have been assigned to any of the real property situated within the county, the county commissioners may require that the register of deeds shall not accept for registration any map, deed, deed of trust or other instrument affecting real property unless the parcel identifier for all of the property described and affected is affixed and verified by the county on the face of the map or instrument or affixed and verified by the county as a part of the legal description contained in any instrument.

(c) Failure to comply with the provisions of subsections (a) and (b) above shall not affect the validity of any map or other instrument that is duly recorded. (1973, c. 992.)

Chapter 162.

Sheriff.

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Article 1.

The Office.

§ 162-1. Election and term of office. — In each county a sheriff shall be elected by the qualified voters thereof, as is prescribed for members of the General Assembly, and shall hold his office for four years. (Const., art. 4, s. 24; Rev., s. 2808; C.S., s. 3925.)

Cross References. — As to form of oath required of sheriff before taking office, see § 11-11. As to other oaths required of public officers, see §§ 11-6, 11-7; N.C. Const., Art. VI, § 7. As to penalty for failure to take oath, see § 128-5.

Editor's Note. — It was held in Hoke v. Henderson, 15 N.C. 1 (1833), that a public office

is to be classed as private property based on a contract between the State and the officer. In cases following Hoke v. Henderson, supra, it was held that there is a contract between the sheriff and the State that he will discharge the duties of the office, and it cannot be abrogated, or impaired except by the consent of both parties. King v. Hunter, 65 N.C. 603 (1871). However, Hoke v. Henderson, supra, and all cases following it in holding a public office to be private property, were overruled by Mial v. Ellington, 134 N.C. 131, 46 S.E. 961 (1903). Therefore, a sheriff is no longer considered to have a vested right in his office, nor is his tenure considered to be based upon a contract with the State.

Effect of Constitutional Amendment on Term of Office. — The term of office of sheriffs-elect begins on the first Monday in December next ensuing their election, and the constitutional amendment changing the term of office of sheriffs from two to four years, approved by the voters in the election of 1938, being in effect on the first Monday in December, the date of the beginning of the term of the sheriffs elected in that election, their term of office is four years in accordance with the amendment then in effect. Freeman v. Cook, 217 N.C. 63, 6 S.E.2d 894 (1940).

§ 162-2. Disqualifications for the office. — No person shall be eligible to the office of sheriff who is not of the age of 18 years, and has not resided in the county in which he is chosen for one year immediately preceding his election, or who is a member of the General Assembly, or practicing attorney, or who theretofore has been sheriff of such county and has failed to settle with and fully pay up to every officer the taxes which were due from him. (1777, c. 118, ss. 2, 4, P. R.; 1806, c. 699, s. 2, P. R.; 1829, c. 5, s. 6; 1830, c. 25, ss. 2, 3; R. C., c. 105, ss. 5, 6, 7; Code, ss. 2067, 2068, 2069; Rev., s. 2809; C. S., s. 3926; 1971, c. 1231, s. 1.)

Full Settlement of Public Funds by Incumbent. — A person, although elected by the qualified voters of a county to the office of sheriff, was not eligible for said office, if he, having been theretofore sheriff of said county, had failed to settle with, and fully pay up to, every officer the taxes which were due from him. Lenoir County v. Taylor, 190 N.C. 336, 130 S.E. 25 (1925).

A former sheriff must exhibit to the board of commissioners the receipts in full of the proper officers, for all public funds which he received, or ought to have received during his preceding official term, before he will be permitted to reenter upon a new term. Colvard v. Board of Comm'rs, 95 N.C. 515 (1886); Lenoir County v. Taylor, 190 N.C. 336, 130 S.E. 25 (1925).

Incumbent Must Produce Receipts. — The fact that he was able, ready and willing at the time of tendering his bond, to make settlement and payment of any liability on account of funds so received, does not dispense with the requirement that he shall produce receipts in full. Colvard v. Board of Comm'rs, 95 N.C. 515 (1886).

Requirement to Produce Receipts Constitutional. — The requirement that a sheriff-elect who has theretofore been sheriff, produce his tax receipts is not unconstitutional. State v. Dunn, 73 N.C. 595 (1875).

Cited in Pender County v. King, 197 N.C. 50, 147 S.E. 695 (1929).

§ 162-3. Sheriff may resign. — Every sheriff may vacate his office by resigning the same to the board of county commissioners of his county; and thereupon the board may proceed to elect another sheriff. (1777, c. 118, s. 1, P. R.; 1808, c. 752, P. R.; R. C., c. 105, s. 15; Code, s. 2077; Rev., s. 2810; C. S., s. 3927.)

§ 162-4. Removal for misdemeanor in office. — If any sheriff shall be convicted of a misdemeanor in office, the court may at its discretion, as a part of his punishment, remove him from office. (1829, c. 5, s. 8; R. S., c. 109, s. 11; R. C., c. 105, s. 11; Code, s. 2071; Rev., s. 2811; C. S., s. 3928.)

Cross Reference. — As to removal of unfit officers generally, see §§ 128-16 through 128-20.

Proceedings in Nature of Quo Warranto. — An action by the Attorney General in the name of the people of the State, and of the person who claims the office of sheriff, is the proper mode of proceeding against the person who is alleged to be usurping it, to try the question as to which of the parties is entitled to the office. Loftin v. Sowers, 65 N.C. 251 (1871).

§ 162-5. Vacancy filled; duties performed by coroner or chief deputy. — If any vacancy occurs in the office of sheriff, the coroner of the county shall execute all process directed to the sheriff until the first meeting of the county commissioners next succeeding such vacancy, when the board shall elect a sheriff to supply the vacancy for the residue of the term, who shall possess the same qualifications, enter into the same bonds, and be subject to removal, as the sheriff regularly elected. If the board should fail to fill such vacancy, the coroner shall continue to discharge the duties of sheriff until it shall be filled.

In those counties where the office of coroner has been abolished, the chief deputy sheriff, or if there is no chief deputy, then the senior deputy in years of service, shall perform all the duties of the sheriff until the county commissioners appoint some person to fill the unexpired term. In all counties the regular deputy sheriffs shall, during the interim of the vacancy, continue to perform their duties with full authority. (1829, c. 5, s. 8; R. S., c. 109, s. 11; R. C., c. 105, s. 11; Code, s. 2071; Rev., s. 2811; C. S., s. 3929; 1973, c. 74.)

Local Modification. — Beaufort: 1975, c. 202; Jackson, Swain and Transylvania: 1969, c. 405.

Commissioners Appoint for Unexpired Term Only. — In case of a vacancy in the sheriff's office, it is within the power of the board of county commissioners to appoint for the unexpired term only. Worley v. Smith, 81 N.C. 304 (1879).

Commissioners Appoint When Sheriff-Elect Fails to Qualify. — Where a sheriff-elect failed to qualify as sheriff for the term to which he had been elected, it became the duty of the board of commissioners forthwith to elect some suitable person in the county as sheriff for the unexpired term. Lenoir County v. Taylor, 190 N.C. 336, 130 S.E. 25 (1925).

It is the duty of the county commissioners to declare the sheriff's office vacant, and appoint someone for the unexpired term, whenever the incumbent thereof is found to be, on reelection, in arrears in his settlement of the public taxes. People ex rel. McNeill v. Green, 75 N.C. 329 (1876).

S was appointed sheriff in 1875, to fill a vacancy, and held the office until May, 1877; in the meantime — November, 1876 — an election was held, and upon the result of certain legal proceedings in May, 1877, M was declared to be elected sheriff, who failed to give bond, and the county commissioners declared a vacancy and appointed B to fill the same. It was held that S had no right to hold over until the next popular election, but that B was entitled to the office, being elected by the commissioners. State v. Bullock, 80 N.C. 132 (1879).

When Sheriff Becomes Insane. — Upon the prima facie ascertainment of the insanity of the sheriff, or by inquisition of lunacy, the commissioners may declare the office vacant, under this section, but their failure to do so merely authorizes the coroner to perform the duties of sheriff proper, until such declaration (Greer v. City of Asheville, 114 N.C. 678, 19 S.E. 635 (1894)), and does not cast upon him the right to collect the taxes, which goes to the sheriff's bondsmen for the current list, and after that the duty devolves upon a tax collector chosen by the county commissioners. Somers v. Board of Comm'rs, 123 N.C. 582, 31 S.E. 873 (1898).

Upon the insanity of the sheriff, his right to exercise the office ceases and the agency of his deputies is terminated, and his committal to a hospital for the insane and the appointment of a guardian for him are certainly at least prima facie evidence of such insanity. Somers v. Board of Comm'rs, 123 N.C. 582, 31 S.E. 873 (1898).

Collection of Taxes upon Sheriff's Insanity. — Upon the declaration of insanity, the sureties of the sheriff had no more rights than would have gone to them upon his death, i.e., to collect the tax list then in his hands. Public Laws 1897, c. 169, s. 117; Perry v. Campbell, 63 N.C. 257 (1869); McNeill v. Sommers, 96 N.C. 467, 2 S.E. 161 (1887). And the commissioners are vested with the power of electing a tax collector for the ensuing year, unless and until the sheriff should be restored to reason. Somers v. Board of Comm'rs, 123 N.C. 582, 31 S.E. 873 (1898).

§§ 162-6, 162-7: Repealed by Session Laws 1973, c. 108, s. 99.

ARTICLE 2.

Sheriff's Bonds.

§ 162-8. Sheriff to execute two bonds. — The sheriff shall execute two several bonds, payable to the State of North Carolina, as follows:

One conditioned for the collection and settlement of county and other local taxes according to law, a sum not exceeding the amount of such county and other local taxes for the previous year.

The second bond, for the due execution and return of process, payment of fees and moneys collected, and the faithful execution of his office as sheriff, shall be not more than five thousand dollars ($5,000), in the discretion of the board of county commissioners, and shall be conditioned as follows:

The condition of the above obligation is such that, whereas the above bounden . . . . . is elected and appointed sheriff of . . . . . County; if therefore, he shall well and truly execute and due return make of all process and precepts to him directed, and pay and satisfy all fees and sums of money by him received or levied by virtue of any process into the proper office into which the same, by the tenor thereof, ought to be paid, or to the person to whom the same shall be due, his executors, administrators, attorneys, or agents; and in all other things well and truly and faithfully execute the said office of sheriff during his continuance therein, then above obligation to be void; otherwise to remain in full force and effect. (1777, c. 118, s. 1, P. R.; 1823, c. 1223, P. R.; R. C., c. 105, s. 13; 1879, c. 109; Code, s. 2073; 1895, c. 270, ss. 1, 2; 1899, c. 54, s. 52; c. 207, s. 2; 1903, c. 12; Rev., s. 298; C. S., s. 3930; 1943, c. 543.)

I. General Incidents of Bond.
II. Liability on Official Bonds.
  A. Liability Limited to Terms of Bonds.
  B. Successive Terms and Successive Bonds.
  C. Irregularities or Informalities in Bond.
III. Actions on Bonds.

Cross References.

As to official bonds generally, see § 109-1 et seq. See also §§ 162-9 and 162-10. As to right of action on official bond, see § 109-34 and note. As to statute of limitation on official bond, see § 1-50.

I. GENERAL INCIDENTS OF BOND.

When Sheriff Fails to Comply. — Where the sheriff had not complied with the requirements of this section, it was held that he was not entitled to have the county commissioners induct him into office. Colvard v. Board of Comm'rs, 95 N.C. 515 (1886).

And this is true notwithstanding the fact that at the beginning of his term there is a tax collector in that county. Colvard v. Board of Comm'rs, 95 N.C. 515 (1886).

When Section Complied with. — When a sheriff-elect has fulfilled all the statutory requirements as to the execution of bonds, it is not competent for the county commissioners to refuse the said bonds and deprive the rightful holder of his office. Sikes v. Commissioners of Bladen County, 72 N.C. 34 (1875).

Ceremony. — The ceremony of acknowledgment in open court, and registration, are not essential to the validity of a sheriff's bond. State v. Buchanan, 53 N.C. 444 (1862).

Sufficiency of Forum. — A sheriff's bond to "his Excellency M.S. Captain General and Commander in Chief, in and over the State of North Carolina in the sum of $10,000 to be paid to his Excellency, the Governor, his successor and assigns:" is a bond payable to the Governor in his official capacity, and is an official bond within the act of 1823, which was in force when it was taken. Governor ex rel. Huggins v. Montford, 23 N.C. 155 (1840).

School Fund Included in County Bond. — It is immaterial whether the school fund is, strictly speaking, State taxes or county taxes, or partly both. They are included in the "county" bond and the sheriff must account for them in settling his liability on that bond. Tillery v. Candler, 118 N.C. 888, 24 S.E. 709 (1896); State v. Sutton, 120 N.C. 298, 26 S.E. 920 (1897).

Process Bond Not Liable for County Taxes. — The county tax cannot be recovered of the sheriff upon the official bond required by the act of 1777, which is the process bond required by this section. Governor ex rel. Campbell v. Barr, 12 N.C. 65 (1826).

The case of Crumpler v. Governor, 12 N.C. 52 (1826), holds that the sureties on the "process"

bond are not liable for default as to county taxes, which is true now, as it was then. State v. Sutton, 120 N.C. 298, 26 S.E. 920 (1897).

Stated in State v. Corbett, 235 N.C. 33, 69 S.E.2d 20 (1952).

II. LIABILITY ON OFFICIAL BONDS.

Editor's Note. — See 12 N.C.L. Rev. 394, for note "Extent of Liability on Sheriff's Official Bond."

A. Liability Limited to Terms of Bond.

Rule of Construction. — In a bond given for a specific object, general words shall be construed with reference only to that object. Therefore, when a bond is given with a condition that A.M. shall "collect the county contingent tax, and in all things perform his duty as sheriff" the public taxes cannot be recovered on it. Crumpler v. Governor, 12 N.C. 52 (1826).

Duties Specifically Described. — A sheriff and his sureties are liable on his official bond only for a breach of some duty specifically described therein. Eaton v. Kelly, 72 N.C. 110 (1875).

The general provisions of the bond as to the sheriff's performance of the duties of his office relate to the specific obligations therein set out as to process, and neither the sheriff nor the sureties on his bond are liable in a civil action for damages for injury inflicted by the sheriff while acting in his official capacity. State v. Leonard, 68 F.2d 228 (4th Cir. 1934).

Not Extended as to Years. — Where an action was brought on the bonds of a sheriff, given in 1872 and 1873 and conditioned only for those years, they could not be enlarged to embrace a default occurring in the year 1874 on the ground that the law required a bond for the principal's whole term of office. State v. McNeill, 77 N.C. 398 (1877).

Where Separate Bond Including All Official Duties Omitted. — Where the condition of a sheriff's bond is made in clear and unambiguous terms to secure the performance of a certain class of duties imposed on him by statute, the superaddition of general terms thereto, though large enough to include all of his official duties, for which by law a separate bond is directed, but omitted to be given, will not extend the liability of sureties to such other duties. Governor ex rel. County Trustee v. Matlock, 12 N.C. 214 (1827).

In Crumpler v. Governor, 12 N.C. 52 (1826), the sheriff had given four bonds, but the condition of no one of them provided for the payment of the State taxes, the nonpayment of which was the breach alleged. All of them contained general words, "faithfully execute the office," etc. It was held that these words did not extend beyond the duties specially described and provided for in the preceding clause. Mr. Justice Henderson dissented from the conclusion of the court, but he concurred in this rule of construction, and states it with great clearness and force.

State v. Long, 30 N.C. 415 (1848), was an action on a bond with a condition containing general words. In that case it was held that these words did not impose on the sureties an obligation that the sheriff should commit no wrong by color of his office, nor do anything not authorized by law. See also Jones v. Montford, 20 N.C. 69 (1838); State v. Brown, 33 N.C. 141 (1850); State ex rel. Bd. of Comm'rs v. Sutton, 120 N.C. 298, 26 S.E. 920 (1897).

State v. Bradshaw, 32 N.C. 229 (1849), is not in conflict with the cases generally on this subject. That case simply decides that a bond to serve process, collect and pay out moneys, etc., is broad enough to cover money collected for a town which it was the sheriff's duty to collect. See State v. McNeill, 77 N.C. 398 (1877).

Trespass under Color of Office. — The sureties in the official bond of a sheriff are not liable for damages for a trespass committed by the sheriff under color of his office. State v. Brown, 33 N.C. 141 (1850). See also State v. Long, 30 N.C. 415 (1848).

When New Duty Attached. — Where a statute requires a bond from an officer for the faithful discharge of his duty, and a new duty is attached to the office by statute, such bond, given subsequently to the latter statute, embraces a new duty, and is a security for its performance, unless where, when the new duty is attached, a bond is required to be given specifically for its performance. State v. Bradshaw, 32 N.C. 229 (1849).

Liability for Injury Caused by Prisoner While Unlawfully at Large as Trusty. — The statutory bonds required to be given by a sheriff under this section may be put in evidence as though they had been written as prescribed by § 109-1, and where suit is brought on one of the bonds which provides for liability if the sheriff fail to properly execute and return all process, or properly pay all moneys received by him by virtue of any process, "and in all things well and truly and faithfully execute the said office of sheriff," the general provisions of the bond as to the sheriff's faithful performance of the duties of the office relate to the specific obligations therein set out as to service and return of process, and neither the sheriff nor the sureties on his bond is liable thereon in a civil action for damages for a negligent injury inflicted by a prisoner lawfully intrusted to the custody of the sheriff while such prisoner was unlawfully permitted by the sheriff to be at large as a trusty. Sutton v. Williams, 199 N.C. 546, 155 S.E. 160 (1930).

Liability for Deputy's Negligent Injury of Prisoner in Jail. — The liability of the surety on the bond of a public officer is limited by the terms of the bond, and the condition of the bond

of a sheriff for the "faithful execution of his office" refers to the specific condition for the "due execution and return of process" and the terms of the statutory bond do not impose liability on the surety for the negligent act of a deputy unconnected with the execution and return of process, and the surety's motion to nonsuit is properly granted in a prisoner's action to recover for negligent injury inflicted by a deputy while he was in jail. Davis v. Moore, 215 N.C. 449, 2 S.E.2d 366 (1939).

Liability for Use of Excessive Force in Making Arrest. — Where the complaint in an action against a sheriff in his official capacity and against his surety alleged that plaintiff was permanently injured by the sheriff's use of excessive force in arresting him, and that the arrest was wrongful and unlawful, defendants' demurrer to the complaint should have been overruled, since, even if the terms of the bond "and in all other things well and truly and faithfully execute the said office of sheriff," refer solely to the specific duties enumerated and do not impose liability for the wrong alleged, the provision of § 109-34 extends the liability on the sheriff's general official bond and imposes liability for the wrong alleged committed under color of his office. Price v. Honeycutt, 216 N.C. 270, 4 S.E.2d 611 (1939).

Change of Amount of Salary or to Fee Basis. — The liability of a surety on a sheriff's bond, given under this section is not affected by the fact that the sheriff, pending the life of the bond, has been put upon a salary instead of a fee basis, or the amount of his salary has been changed under the authority of a statute. Pender County v. King, 197 N.C. 50, 147 S.E. 695 (1929).

B. Successive Terms and Successive Bonds.

The various bonds separately required to be given by the sheriff under this section impose a distinct liability on the sureties on each bond separately for the terms of office for which given, and where one is given by the same surety for the same sheriff for more than one successive term, the giving of the bond for the succeeding term does not discharge the bond previously given nor release the surety from liability thereon, and a separate cause of action lies against the surety on the bond for each term. Pender County v. King, 197 N.C. 50, 147 S.E. 695 (1929).

Appointment of Sheriff Removed for Failure to Give Bond. — Where under § 162-10, the board of county commissioners has declared the office of sheriff of that county vacant for his failure to give the bond required by this section, and has appointed another who likewise failed to give the bonds, and has again appointed the former sheriff, who gives the necessary bonds and then qualifies, his term is by virtue of his appointment by the board of county commissioners, and the liability of the sureties on his official bonds commences from the time of his appointment. Pender County v. King, 197 N.C. 50, 147 S.E. 695 (1929).

Failure to Renew Bond. — The sureties on the bond of a sheriff are liable for all official delinquents of which the principal may be guilty during the continuance of his term of office. Where a sheriff, elected in 1872, continued to exercise the duties of the office after his failure to renew his bond and produce his receipts, and was reelected in 1874, and failed to collect and pay over the taxes for that year, it was held that he was liable on his bond of 1872. State v. Pipkin, 77 N.C. 408 (1877). See also State v. McIntosh, 31 N.C. 307 (1848); State v. Clarke, 73 N.C. 255 (1875); State v. McNeill, 74 N.C. 535 (1876).

Effect of Termination of Incumbency. — When the deputy of a sheriff received the note of a married woman for collection within a magistrate's jurisdiction, and failed to collect the same during the sheriff's official term, but afterwards, when acting as the deputy of his successor, collected it and failed to pay over the money, it was held that there was no breach of the former sheriff's official bond. State v. Buchanan, 60 N.C. 93 (1863).

Taxes for Preceding Year. — A sheriff's sureties for one year are not liable for any taxes received by him under the lists furnished in the preceding year; but the sureties of that year are liable. Fitts v. Hawkins, 9 N.C. 394 (1823).

C. Irregularities or Informalities in Bond.

When Valid as Voluntary Bond. — When a bond made payable to the State is given by a sheriff for the discharge of public duties, though not taken in the manner or by the persons designated by law to take it, will be good as a voluntary bond. Being for the benefit of the State, the State will be presumed to have accepted it when it was delivered to a third person for its benefit. State v. McAlpin, 26 N.C. 140 (1843).

Excessive Bond. — If a sheriff voluntarily give bond, with sureties, in an amount larger than is prescribed by law, they will be liable for a breach thereof. State Bank v. Twitty, 9 N.C. 5 (1822); Governor ex rel. Henderson v. Matlock, 9 N.C. 366 (1823).

III. ACTIONS ON BONDS.

Demand Unnecessary. — A demand is not necessary before suit by the county treasurer on a sheriff's bond, as the sheriff is required by law to settle on or before a day certain. McGuire v. Williams, 123 N.C. 349, 31 S.E. 627 (1898).

Proper Relator for Settlement of School Taxes. — The Code of 1883, § 2563, made the county commissioners the proper relators in an action on the sheriff's bond to compel a settlement of the school taxes. The Acts of 1889, c. 199, substituted the county board of education

as relators (Board of Educ. v. Wall, 117 N.C. 382, 23 S.E. 358 (1895)), but Acts of 1895, c. 439, abolished the county board of education and again made the county commissioners the proper relators. Tillery v. Candler, 118 N.C. 888, 24 S.E. 709 (1896); State v. Sutton, 120 N.C. 298, 26 S.E. 920 (1897).

Certified Copy as Evidence. — The office of the clerk of the superior court of the county for which one is sheriff is the proper place of deposit for the bond of such sheriff. Therefore, a copy of such bond, certified by such clerk, is competent evidence of its contents. Such a copy is competent (at least under the maxim, omnia presumuntur, etc.) even though the certificate does not state that it has been recorded. State ex rel. Erwin v. Lowrance, 64 N.C. 483 (1870).

Previous Settlements Prima Facie Correct. — Previous settlements with the sheriff, when approved by the board of commissioners, are prima facie correct, and the burden of proving to the contrary rests upon them. Commissioners of Iredell County v. White, 123 N.C. 534, 31 S.E. 670 (1898).

Settlement of One Tax Fund at Expense of Another. — Where a sheriff's settlement of one tax fund is made partially by an amount deducted from another tax fund, the settlement exonerates him and his surety from liability on the bond for the taxes settled; he and his sureties are liable in an action on the bond for the taxes misappropriated for such defalcation. McGuire v. Williams, 123 N.C. 349, 31 S.E. 627 (1898).

Plea in Bar. — The general rule is that where there is a plea in bar it must be disposed of before a reference for an account can be made. Commissioners of Iredell County v. White, 123 N.C. 534, 31 S.E. 670 (1898).

Summary Judgment Set Aside. — Where judgment is entered up summarily against the sureties of a sheriff, upon a proper case, it will be set aside. Crumpler v. Governor, 12 N.C. 52 (1826).

When Sum Differs from That Required. — A sheriff's bond payable to the Governor and his successors in a sum different from that directed by law, cannot be sued in the name of the successor. Governor ex rel. State Bank v. Twitty, 12 N.C. 153 (1827).

Failure to Take Bail in Civil Cases. — In Governor ex rel. Arundell v. Jones, 9 N.C. 359 (1823), it was held that the sheriff was not liable in debt upon his official bond for omitting to take bail when he executed a capias in civil cases; but must be proceeded against as bail by scire facias.

Return Conclusive. — The return of a sheriff that a fieri facias is satisfied is conclusive upon his sureties in an action on his official bond. Governor ex rel. State Bank v. Twitty, 12 N.C. 153 (1827).

Failure to Have Insolvent's Allowance Made. — Where a sheriff failed to settle for taxes within the time appointed by law and not having had allowance made him by the commissioners for insolvents at the time and in the manner prescribed by law, he cannot have such allowances made by the court in an action brought against him on his official bond for the balance due by him on the tax list. Board of Comm'rs v. Wall, 117 N.C. 377, 23 S.E. 358 (1895).

Misjoinder. — Where a sheriff has been elected for successive terms of office, and appointed for a third term by the county commissioners after the office for his third term had been declared vacant, an action against him and the sureties on his bonds given under the provisions of this section, for defalcation during the successive terms is a misjoinder of parties and causes of action, and a demurrer thereto is good. Pender County v. King, 197 N.C. 50, 147 S.E. 695 (1929).

§ 162-9. County commissioners to take and approve bonds. — The board of county commissioners in every county shall take and approve the official bonds of the sheriffs, which they shall cause to be registered and the originals deposited with the clerk of the superior court for safekeeping. The bonds shall be taken on the first Monday of December next after the election of sheriffs, but no board shall permit any former sheriff to give bonds for, or reenter upon the duties of the office, until he has produced before the board the receipt in full of every such officer for taxes which he has or should have collected. (1806, c. 699, s. 2, P. R.; 1830, c. 5, s. 5; R. C., c. 105, s. 6; 1868, c. 20, s. 32; 1876-7, c. 276, s. 5; Code, ss. 2066, 2068; Rev., s. 2812; C. S., s. 3931.)

Purpose. — The evident purpose of the section is only to protect and safeguard the public revenue and to insure its honest collection and application. Hudson v. McArthur, 152 N.C. 445, 67 S.E. 995 (1910).

Execution and Approval of Bonds. — To entitle a sheriff to be inducted into office, it is essentially necessary that the bonds must be executed by him and approved by the county commissioners. Dixon v. Commissioners of Beaufort, 80 N.C. 118 (1879).

Not Liable to Sureties for Failure to Demand Receipt. — The county commissioners are not liable to the sureties on the bond of a defaulting sheriff and tax collector whose defalcations they were required to pay, for a

failure to demand of the sheriff his receipts in full, for the taxes collected the previous year before permitting him to receive the tax duplicate for the current year. Hudson v. McArthur, 152 N.C. 445, 67 S.E. 995 (1910).

Cited in Pender County v. King, 197 N.C. 50, 147 S.E. 695 (1929).

§ 162-10. Duty of commissioners when bonds insufficient. — It shall be the duty of the board of county commissioners whenever they shall be of opinion that the bonds of the sheriff of their county are insufficient, to notify the sheriff in writing to appear within 10 days and give other and better sureties, or justify the sureties on his bonds; and in case such sheriff shall fail to appear on notice, or fail to give sufficient bonds, or to justify his bonds, it shall be the duty of the board to elect forthwith some suitable person in the county as sheriff for the unexpired term, who shall give proper and lawful bonds and be subject to like obligations and penalties. (1879, c. 109, s. 2; Code, s. 2074; Rev., s. 2813; C. S., s. 3932.)

Cross Reference. — As to bonds required of sheriff, see § 162-8; see also § 162-5.

Right to Examine Sheriff and Vacate Office. — Under Art. VII, § 2, Const. 1868, the county commissioners had the right to summons the sheriff to justify or renew his official bond, whenever in fact, or in their opinion the sureties had become, or were liable to become insolvent. And it was not only the right, but the duty of the commissioners, to declare the office of sheriff vacant, and appoint one for the unexpired term, whenever the incumbent thereof took no notice of a summons by the commissioners to appear before them and justify or renew his bond. People ex rel. McNeill v. Green, 75 N.C. 329 (1876).

Power to Fill Vacancy. — Upon the failure of a sheriff-elect to give bonds required by law, the board has power to elect some suitable person in the county as sheriff for the unexpired term. Lenoir County v. Taylor, 190 N.C. 336, 130 S.E. 25 (1925).

Cited in Pender County v. King, 197 N.C. 50, 147 S.E. 695 (1929).

§ 162-11. Liability of commissioners. — If any board of county commissioners shall fail to comply in good faith with the provisions of this Article, they shall be liable for all loss sustained in the collection of taxes, on motion to be made by the district attorney of the district. (1868-9, c. 245, s. 3; Code, s. 2075; Rev., s. 2814; C. S., s. 3933; 1973, c. 47, s. 2.)

Court Cannot Compel Approval. — The boards of county commissioners are liable in damages if they knowingly accept insufficient bonds, and approval or disapproval of such bonds is within their discretion, and the courts cannot compel them to approve and receive bonds which they find to be insolvent or insufficient. State v. King, 117 N.C. 117, 23 S.E. 92 (1895).

Liable for All Loss. — If any board of commissioners shall fail to comply with the provisions of the statute, they shall be liable for all loss sustained in the collection of taxes, on motion to be made by the solicitor (now district attorney) of the district. Lenoir County Bd. of Comm'rs v. Taylor, 190 N.C. 336, 130 S.E. 25 (1925).

When Liable for One Penalty Only. — The statutes requiring the sheriff to renew annually his official bonds, and, in addition, produce receipts for the public moneys collected by him, and in default thereof it shall be the duty of the board of county commissioners to declare the office vacant, are intended to effectuate the same purpose, and therefore a member of the board of county commissioners is liable for only one penalty for failure to perform his duty in that connection. Bray v. Barnard, 109 N.C. 44, 13 S.E. 729 (1891).

§ 162-12. Liability of sureties. — The sureties to a sheriff's bond shall be liable for all fines and amercements imposed on him, in the same manner as they are liable for other defaults in his official duty. (1829, c. 33; R. C., c. 105, s. 14; Code, s. 2076; Rev., s. 2815; C. S., s. 3934.)

Cross Reference. — See § 162-8 and notes thereto.

Liable for Amercements. — The sureties to a sheriff's bond, with a condition in the ordinary form, are liable for an amercement of the sheriff for a default committed during his official year, though the final judgment for the amercement may not have been rendered until after the expiration of the year. Governor ex rel. Huggins v. Montford, 23 N.C. 155 (1840).

Records of Proceedings as Evidence. — The records of the proceedings against a sheriff for an amercement imposed upon him, are not evidence against his sureties to prove his default; but they are admissible against them to prove the fact of the existence of the amercement itself. Governor ex rel. Huggins v. Montford, 23 N.C. 155 (1840).

Return Conclusive. — A sheriff cannot be heard to deny or contradict his return; as to him it is conclusive, and he and the sureties upon his bond are liable to the plaintiff in the execution for the sums so indorsed. Walters v. Moore, 90 N.C. 41 (1884).

Judgment or Amercement Not Conclusive. — A judgment of an amercement against a sheriff is not conclusive against the sureties on his bond. They may show that the judgment was either fraudulently or improperly obtained against their principal. State v. Woodside, 29 N.C. 296 (1847).

ARTICLE 3.

Duties of Sheriff.

§ 162-13. To receipt for process. — Every sheriff, coroner or constable shall, when requested, give his receipt for all original and mesne process placed in his hands for execution, to the party suing out the same, his agent or attorney; and such receipt shall be admissible as evidence of the facts therein stated, against such officer and his sureties, in any suit between the party taking the receipt and such officer and his sureties. (1848, c. 97; R. C., c. 105, s. 18; Code, s. 2081; Rev., s. 2816; C. S., s. 3935.)

Cross References. — As to collection of inheritance taxes by sheriff and commission therefor, see § 105-17. As to duty to adjourn court in absence of judge, see § 7A-96. As to duty to summon and swear appraisers in homestead proceedings, see § 1-371. As to duty when warrant of attachment directed to sheriff, see § 1-440.12. As to duties and liabilities in claim and delivery, see §§ 1-476, 1-477. As to attachment for failure to obey writ of habeas corpus, see § 17-16. As to attachment against sheriff to be directed to coroner, see § 17-18. As to official deed, when sheriff selling or empowered to sell is out of office, see § 39-5.

This section obviously has no reference to final process. Wyche v. Newsom, 87 N.C. 142 (1882).

§ 162-14. Execute process; penalty for false return. — Every sheriff, by himself or his lawful deputies, shall execute and make due return of all writs and other process to him legally issued and directed, within his county or upon any river, bay or creek adjoining thereto, or in any other place where he may lawfully execute the same. He shall be subject to the penalty of forfeiting one hundred dollars ($100.00) for each neglect, where such process shall be delivered to him 20 days before the sitting of the court to which the same is returnable, to be paid to the party aggrieved by order of court, upon motion and proof of such delivery, unless the sheriff can show sufficient cause to the court at the next succeeding session after the order.

For every false return, the sheriff shall forfeit and pay five hundred dollars ($500.00), one moiety thereof to the party aggrieved and the other to him that will sue for the same, and moreover be further liable to the action of the party aggrieved, for damages. (1777, c. 218, s. 5, P. R.; 1821, c. 1110, P. R.; R. C., c. 105, s. 17; 1874, c. 33; Code, s. 2079; 1899, c. 25; Rev., s. 2817; C. S., s. 3936; 1973, c. 108, s. 98.)

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See §§ 14-242, 162-17. As to penalty for false return to writ of habeas corpus, see § 17-27.

I. GENERAL CONSIDERATIONS.

Summary of Section. — The section authorizes the following penalties and remedies: 1. An amercement nisi for $100, on "motion and proof" by the party aggrieved, for failure to "execute and make due return." 2. A qui tam action for penalty of $500 for a "false return," one moiety to the party aggrieved, and the other to anyone who will sue for the same. 3. An action for damages by the party aggrieved. 4. An amercement nisi for $100 in justices' courts, on "motion and proof" by the party aggrieved, for "neglect or refusal" to execute process of such court. Piedmont Mfg. Co. v. Buxton, 105 N.C. 74, 11 S.E. 264 (1890).

Who May Issue Process. — Process can be issued by the mayor of a town or city to any lawful officer such as a sheriff, whose duty it then becomes to execute and make due return. State v. Cainan, 94 N.C. 880 (1886); Paul v. Washington, 134 N.C. 363, 47 S.E. 793 (1904).

"Return" Defined. — The term "return" means that the process must be brought back and produced in the court whence it issued with such endorsement as the law requires. Watson v. Mitchell, 108 N.C. 364, 12 S.E. 836 (1891).

Making Due Return Is an Affirmative Requirement. — The requirements that an officer having process in hand for service must note on the process the date received by him under Rule 4 of the Rules of Civil Procedure (§ 1A-1) and make due return thereof under § 162-14 are affirmative requirements of these sections. State v. Moore, 230 N.C. 648, 55 S.E.2d 177 (1949).

What Constitutes Due Return. — In Waugh v. Brittain, 49 N.C. 470 (1857), it was said by Battle, J.: "We concur with his Honor in the opinion, due return of process, means a proper return, made in proper time; and such, we believe, has always been the construction put upon those words, as used in the Act of 1777, Rev. Code, ch. 105, § 17 [now this section.]"

A return of a sheriff to a fieri facias that "he had made a levy on personal property and taken a forthcoming bond, but had not sold it, that the obligors did not deliver the property on the day, and that, after the day, it was too late to make a sale," is not such a "due return" of the process as will exempt the sheriff for amercement. Frost v. Rowland, 27 N.C. 385 (1845).

Where a sheriff indorsed upon an execution the words "debt and interest due to sheriff, costs paid into office"; and upon another, the word "satisfied," without stating what disposition he had made of the fund the returns were held to be sufficient in law to relieve the sheriff from amercement for not making "due return." Person v. Newsom, 87 N.C. 142 (1882).

Nor is he required to note thereon the date of its delivery to him. (The act of Assembly has no reference to final process.) Person v. Newsom, 87 N.C. 142 (1882).

Due Return May Be Mixed Question of Law and Fact. — Whether, in any particular case, a due return has been made, may involve questions, both of law and fact. Whether the return is a proper one in form and substance is a question of law, to be decided by the court, but whether it was made in proper time, is a question of fact, to be decided by the jury. Waugh v. Brittain, 49 N.C. 470 (1857).

Manner of Making Return — By Mail. — If, then, the mail can be used as a medium by which process can be transmitted to a sheriff, so as to charge him with its reception, it would seem that he ought to be allowed to adopt the same means for making his return, at least so far as the due time of the return is involved. In Waugh v. Brittain, 49 N.C. 470 (1857), it was intimated that he might do so, and that he would be excused if the letter, indorsing the process, with his return upon it, was properly mailed in due time. Cockerham v. Baker, 52 N.C. 288 (1859), aff'd, Yeargin v. Wood, 84 N.C. 326 (1881).

Fees in Advance. — Until his fees are paid or tendered, a sheriff is not bound to execute process. Johnson v. Kenneday, 70 N.C. 435 (1874).

Applied in East Carolina Lumber Co. v. West, 247 N.C. 699, 102 S.E.2d 248 (1958).

II. NEGLECT OR FAILURE TO MAKE DUE RETURN.

A. In General.

An amercement is a penalty, and is for a fixed sum without regard to the amount of the plaintiff's damage. Thompson v. Berry, 65 N.C. 484 (1871); Brogden Produce Co. v. Stanley, 267 N.C. 608, 148 S.E.2d 689 (1966).

The $100 is given to the plaintiff in the execution upon the theory that he is aggrieved, but chiefly as a punishment to the officer, and to stimulate him to active obedience. Brogden Produce Co. v. Stanley, 267 N.C. 608, 148 S.E.2d 689 (1966).

The courts have no "dispensing power" to relieve a sheriff from the penalty imposed by

this section. Brogden Produce Co. v. Stanley, 267 N.C. 608, 148 S.E.2d 689 (1966).

Subsequent Session. — A sheriff may be amerced for a nonreturn of process at a term [session] subsequent to that at which the process was returnable. Hyatte v. Allison, 48 N.C. 533 (1856).

A sheriff, failing to execute and return process, shall be subject to a penalty to be paid to the party aggrieved, by order of the court, on motion, and proof that process was delivered to him before the sitting of the court to which it was returnable, unless the sheriff shows sufficient cause to the court for his failure "at the court next succeeding such order." And there is nothing in the statute to prevent a sheriff not returning process from being amerced at a subsequent term [session] to that to which the return should have been made. Halcombe v. Rowland, 30 N.C. 240 (1848).

Expiration of Session. — A sheriff, who goes out of office before the return day of the writ delivered to him, is not subject to amercement for failure to return it. McLin v. Hardie, 25 N.C. 407 (1843); State v. Woodside, 29 N.C. 296 (1847).

Process Must Be Delivered 20 Days before Session. — To bring a delinquent officer within the provisions of the statute and subject him to its pains, the process must have been delivered to him 20 days before it is to be returned, and there must be "proof of such delivery." Yeargin v. Wood, 84 N.C. 326 (1881).

When Returnable. — Executions shall be returnable to the term [session] of the court next after that from which they bear teste. The sheriff is allowed all the days of the term [session] to return an execution, unless he be ruled, upon motion and cause shown, to return it on some intermediate day. Person v. Newsom, 87 N.C. 142 (1882); Turner v. Page, 111 N.C. 291, 16 S.E. 174 (1892).

A sheriff who fails to make return of process before the adjournment of the court to which it is returnable, is subject to the penalty prescribed by statute. Boyd v. Teague, 111 N.C. 246, 16 S.E. 338 (1892); Turner v. Page, 111 N.C. 291, 16 S.E. 174 (1892).

Not Applicable to Federal Marshal. — In Lowry v. Story, 31 F. 769 (1887), it was said: "The motion before us is founded upon this law of the State imposing a penalty upon sheriffs who fail or neglect to execute process duly issued to and received by them. The motion cannot be allowed, as this court has no power to enforce against the marshal a penalty imposed by the law of this State upon a sheriff for neglect of duty."

This section imposes no undue hardship upon sheriffs. Brogden Produce Co. v. Stanley, 267 N.C. 608, 148 S.E.2d 689 (1966).

The highest considerations of public policy require that sheriffs shall not be negligent in the service of process committed to them. Ignorance of the officer is no excuse. Whether any damage was done to the plaintiff is immaterial. The amercement is for failure to discharge an official duty. Brogden Produce Co. v. Stanley, 267 N.C. 608, 148 S.E.2d 689 (1966).

The public policy which prompted the enactment of this section is no less valid today — and the need for such a statute is no less real. Brogden Produce Co. v. Stanley, 267 N.C. 608, 148 S.E.2d 689 (1966).

It is no excuse that the sheriff has no corrupt or bad intentions and that the plaintiff is saved from any resulting injury by the voluntary appearance of the defendant. Brogden Produce Co. v. Stanley, 267 N.C. 608, 148 S.E.2d 689 (1966).

An agreement to suspend the collection of the debt, or to stay the execution, as it is commonly called, even if communicated to the sheriff, gives no authority to the officers not to return the writ. Brogden Produce Co. v. Stanley, 267 N.C. 608, 148 S.E.2d 689 (1966).

B. What Constitutes Failure and Defenses.

1. The Essential Elements of Failure.

In General. — The delivery of the process to the officer and his failure to execute its commands and make due return are essential ingredients in the criminal dereliction of duty followed by the penal consequences thus summarily enforced. Yeargin v. Wood, 84 N.C. 326 (1881).

Insufficient Return. — Under the Act of 1777 (Rev. St. c. 109, § 18), imposing a fine on a sheriff for not making due return of process placed in his hands, a return by the sheriff on a fieri facias that he has levied on goods subject to older executions, without stating whether he had sold property seized or still held it, is not a due return, and subjects him to amercement. Buckley v. Hampton, 23 N.C. 322 (1840).

Failure to Sell Property and Make Return. — A sheriff who had not sold property under execution nor made return on writs of venditioni exponas should be amerced. Anonymous, 2 N.C. 415 (1796).

Agreement of Parties. — Where a scire facias was issued on a judgment, the sheriff was liable to amercement for failure to return the process, though the parties agreed, while it was in the sheriff's hands, that the collection of the money should be suspended, so as to enable them to make a full settlement. Morrow v. Allison, 33 N.C. 217 (1850).

Refusal of Clerk to Receive Return. — It is not a sufficient excuse to an officer for neglecting to return a process to the proper term [session] of the court that he had tendered it to the clerk, who had refused to receive it, nor that

the clerk had died during the term [session]. Hamlin v. March, 31 N.C. 35 (1848).

False Impression as to When Summons Returnable No Defense. — A summons issued June 27, 1901, returnable at the July, 1901, term [session] of the court, which recited that it was returnable on the fifth Monday before the first Monday in September, 1901, and was not returned until August 6, 1901, it was held not to constitute a defense to an action to recover the penalty prescribed by the section for the sheriff's failure to return the same within the time required, that he had the erroneous impression that the summons was returnable at a later date, and that his failure was occasioned by endeavoring to obtain service. Bell v. Wycoff, 131 N.C. 245, 42 S.E. 608 (1902).

Failure to Pay or Tender Fees. — Though a sheriff is not required to execute process until his fees are paid or tendered by the person at whose expense the service is to be rendered, he is not excused thereby for a failure to make a return of process; for, if he has any excuse for not executing the writ, he must state it in his return. Jones v. Gupon, 65 N.C. 48 (1871).

Belief That Lien Divested by Subsequent Legislation. — A sheriff is liable to be amerced for a return on a vend. ex. of "no goods," etc., after levy, although made in the belief that the lien has been divested by subsequent legislation. McKeithan v. Terry, 64 N.C. 25 (1870).

Order Restraining Further Prosecution of Action in Which Execution Issued. — Execution of a judgment against defendant in summary ejectment to remove her from the land was issued and delivered to the sheriff. The sheriff failed to serve the execution because of an intervening order restraining the plaintiff from further prosecuting the summary ejectment, issued in a prior pending action to try title. It was held that motion to amerce the sheriff for failure to serve the execution was properly denied, since the sheriff had shown sufficient cause for failing to serve the execution. Massengill v. Lee, 228 N.C. 35, 44 S.E.2d 356 (1947).

2. When Return Is Sufficient.

In General. — Where a sheriff indorsed on an execution the words, "Debt and interest due to sheriff; costs paid into office," it was held that the return was sufficient in law to relieve the sheriff from amercement for not making "due return." Person v. Newsom, 87 N.C. 142 (1882).

The term "return" implies that the process is taken back, with such endorsements as the law requires, to the place from which it originated. Brogden Produce Co. v. Stanley, 267 N.C. 608, 148 S.E.2d 689 (1966).

Return within Time Prescribed by Law. — A sheriff cannot be amerced if he return an execution within the time prescribed by law, though he fail to return the money levied thereon into court, or pay it to the party or his attorney. Davis v. Lancaster, 5 N.C. 255 (1809); Cockerham v. Baker, 52 N.C. 288 (1859).

Endorsing Process "Served". — While it is a better practice for officers to make their returns of process show with particularity upon whom and in what manner the process was served, their endorsement "served" implies service as the law requires and such return signed by the officer in his official capacity is sufficient to show prima facie service at least, and error in the date of service is immaterial. State v. Moore, 230 N.C. 648, 55 S.E.2d 177 (1949).

Endorsing Execution "Satisfied". — Where a sheriff endorsed upon an execution merely the word "satisfied" without stating what disposition he had made of the fund, the return was sufficient in law to relieve him from an amercement for not making due return. Wyche v. Newsom, 87 N.C. 142 (1882).

Return Marked "Satisfied" without Satisfaction. — In Cockerham v. Baker, 52 N.C. 288 (1859), it was said by Mr. Justice Battle that "the counsel for the plaintiff contended that there was not a due return of the process as required by § 17, c. 105, Rev. Code, (now this section), because, though returned 'satisfied,' the money was not sent with it, nor paid into the clerk's office, nor to the plaintiff or his attorney. If this question were before the court for the first time, we should be strongly inclined to hold this objection to be fatal to the return. The writ, in its terms, demands that the sheriff shall have the money levied before the court, and it would seem a return of 'satisfied,' without the 'satisfaction,' is but a mockery. But, at a very early period, a different construction was put upon the Act of 1777 (c. 118, § 6, Rev. Code of 1820), and as that act has been twice reenacted in the same terms, we must consider that construction as settled; see Davis v. Lancaster, 5 N.C. 255 (1809); and see also 1 Rev. Stat., c. 109, § 18, and the Rev. Code, c. 105, § 17, (now this section) in both of which there is a marginal reference to that case, and according to it a sheriff cannot be fined if he return the execution within the time prescribed by law, though he fail to return the money levied thereon into court, or pay it to the party or his attorney."

Where Debtor Had No Property in Excess of His Exemptions. — A sheriff is not liable to amercement for failure to have in court the amount of an execution issued on a judgment for a debt contracted prior to 1868, when the judgment debtor had no property in excess of his exemptions, as the exemption laws (Const., Art. X, and the statutes pursuant thereto) so modify Battle's Revisal, c. 106, § 15, as not to authorize the infliction of a penalty therein imposed for disobedience to the exemption laws. Richardson v. Wicker, 80 N.C. 172 (1879).

C. Actions Concerning Amercements.

Jurisdiction of Superior Court. — Where the sheriff has laid himself liable to the penalty for failure to make due return of process, the superior court has jurisdiction to give the judgment nisi on motion. Thompson v. Berry, 64 N.C. 79 (1870).

Time of Trial. — See Hogg v. Bloodworth, 1 N.C. 593 (1804).

Necessity of Trying Issues of Torts on Affidavits. — On a scire facias against a sheriff to amerce him for not returning an execution into the Supreme Court, whence it issued, issues of fact must be tried on affidavits, as the court has no power to call a jury. Kea v. Melvin, 48 N.C. 243 (1855).

Remedy by Rule. — When a prima facie case is made against a sheriff, either upon affidavit or other sufficient proof, a rule nisi is granted as of course, and surplusage in the affidavit will not impair its effect. Ex parte Schenck, 63 N.C. 601 (1869).

Process Mailed Sufficient for Amercement Nisi. — The proof is sufficient for an amercement nisi under former rulings, where it is shown that the process in an envelope properly directed and with postage prepaid has been deposited in the post office in time to enable it to reach its destination in the due course of the mail 20 days before the session of the court to which it is returnable. State v. Latham, 51 N.C. 233 (1858); Yeargin v. Wood, 84 N.C. 326 (1881).

Where in such case the summons sent by mail did not reach such officer until six days before the sitting of the court to which it was returnable, and he served it in two days thereafter he is not liable to amercement. Yeargin v. Wood, 84 N.C. 326 (1881).

Process Mailed to Sheriff in Another County. — It has frequently been decided by the Supreme Court, after argument and full consideration, that if it be made to appear that a clerk has sent a writ to the sheriff of another county, enclosed in a stamped envelope, in due time to reach him in the regular course of the mails, 20 days before the sitting of the court to which it is returnable, it is sufficient to authorize a judgment nisi for an amercement for the nonreturn of the process. State v. Latham, 51 N.C. 233 (1858); Cockerham v. Baker, 52 N.C. 288 (1859).

Presumption Subject to Rebuttal. — And the officer is allowed to rebut the presumption of its having been received and to discharge himself, as upon a motion for a rule against him, by making an affidavit that the writ did not come to his hands. Yeargin v. Wood, 84 N.C. 326 (1881).

Judgment Nisi Made Absolute. — Where judgment nisi for $100 is rendered against a sheriff for failure to make due return of process, and no sufficient reason is shown for the failure, the judgment should be made absolute. Graham & Co. v. Sturgill, 123 N.C. 384, 31 S.E. 705 (1898).

Judgment Absolute Set Aside. — In a proceeding to enforce the statutory penalty against a sheriff for failure to make due return of process, it is not error to set aside a judgment absolute where it appeared that he had no notice of the rule upon him to show cause. Yeargin v. Wood, 84 N.C. 326 (1881).

Method of Recovering Penalty Exclusive. — The method by which a sheriff may be amerced for unlawfully failing to execute a warrant it was his duty to serve, as prescribed by this section, is alone to be followed in an action for penalty brought thereunder. Walker v. Odom, 185 N.C. 557, 118 S.E. 2 (1923). And a civil action cannot be resorted to. Piedmont Mfg. Co. v. Buxton, 105 N.C. 74, 11 S.E. 264 (1890).

Nature and Form of Method of Recovering Penalty. — The statute provides only for an amercement, on motion, for the failure of a sheriff to make "due and proper" return of process. Piedmont Mfg. Co. v. Buxton, 105 N.C. 74, 11 S.E. 264 (1890). See also Harrell v. Warren, 100 N.C. 259, 6 S.E. 777 (1888).

Penalty Gives Way to Exemption Laws. — The provisions of the exemption laws (Constitution, Art. X, and the statutes passed in pursuance thereof) so modify Battle's Revisal, c. 106, § 15, now this section, as not to authorize the infliction of the penalty therein imposed for obedience to said exemption laws. Richardson v. Wicker, 80 N.C. 172 (1879).

Courts Cannot Relieve. — The courts have no dispensing power to relieve from the penalty prescribed by law. Swain v. Phelps, 125 N.C. 43, 34 S.E. 110 (1899).

Party Aggrieved Is Entitled to Judgment Nisi as of Course. — Upon motion and proof that a sheriff has failed to return process delivered to him, as directed in the process and required by law, the party aggrieved is entitled, as of course, to judgment nisi against him. Brogden Produce Co. v. Stanley, 267 N.C. 608, 148 S.E.2d 689 (1966).

And Penalty Is Imposed Unless Sheriff Shows Cause at Next Succeeding Term to Vacate Amercement. — The penalty is imposed upon the delinquency of the sheriff for failing to make due return of the execution unless, at the next succeeding term after judgment nisi is entered against him he shows to the court sufficient cause to vacate the tentative amercement. Brogden Produce Co. v. Stanley, 267 N.C. 608, 148 S.E.2d 689 (1966).

Question for Jury. — If the issue is in dispute, whether the return was made in proper time is a question of fact to be decided by the jury. Brogden Produce Co. v. Stanley, 267 N.C. 608, 148 S.E.2d 689 (1966).

III. FALSE RETURN.

Penalty Enforced in Civil Action. — The action for $500 penalty for "false return," is properly sought to be maintained by civil action. Piedmont Mfg. Co. v. Buxton, 105 N.C. 74, 11 S.E. 264 (1890).

The correct procedure under this statute to recover the penalty from a sheriff for making a false return is by civil action. Crowder v. Jenkins, 11 N.C. App. 57, 180 S.E.2d 482 (1971).

Power of Court to Allow Return to Be Amended. — In an action against a sheriff, for the penalty of $500 for a false return, as provided in this section, after the action was begun, the defendant, on affidavits, moved the court to be allowed to amend his return so as to speak the truth. The motion was allowed, and upon appeal the Supreme Court held that the power of the superior court judge to allow amendments in process, etc., is broad, both by statute and the inherent power of the court, and the ruling of the lower court was affirmed. Swain v. Burden, 124 N.C. 16, 32 S.E. 319 (1899).

Where a sheriff to whom a summons issued, returned it "served," and was sued for the $500 penalty for false return provided for by this section, the court permitted him, for proper reasons set out in his affidavit, to amend this return and the power of the court below to allow the amendment was sustained on appeal. Swain v. Burden, 124 N.C. 16, 32 S.E. 319 (1899); Swain v. Phelps, 125 N.C. 43, 34 S.E. 110 (1899).

When, in an action against a sheriff for a false return, the court permits such return to be amended, the plaintiff should note his exception, and, unless the amended return is admitted to be true, proceed to try the issue. An appeal before final judgment on such admission, or a verdict, is premature and will be dismissed. Piedmont Mfg. Co. v. Buxton, 105 N.C. 74, 11 S.E. 264 (1890).

It is established law in North Carolina that the court has the discretionary power, in proper cases, to allow a sheriff to amend his return of process to speak the truth, even though the amendment will defeat the penalty for a false return. Crowder v. Jenkins, 11 N.C. App. 57, 180 S.E.2d 482 (1971).

It was not proper for the trial judge to permit the defendants to amend the return during the course of the trial, where the plaintiff alleged and the defendants admitted that the return had been marked "served by delivering a copy thereof to this plaintiff," where the plaintiff alleged and the defendants admitted that the sheriff "did not serve the original order of court upon the plaintiff," and where the parties stipulated at a pretrial conference that the return showing "that it was delivered to the plaintiff was not correct." Crowder v. Jenkins, 11 N.C. App. 57, 180 S.E.2d 482 (1971).

The admissions and stipulations relating to the return are binding on the defendants and prevent them from introducing evidence to dispute it. The admissions in the pleadings (that the sheriff did not serve the original order upon the plaintiff and that the return had been marked served by the delivery of a copy thereof to the plaintiff) and the stipulation (that the return showed that it was delivered to the plaintiff) were not attacked and were not amended, so under the circumstances this was not a "proper case" in which to allow an amendment to the return of the sheriff, and the trial judge committed error in allowing the amendment over the objection of the plaintiff. Crowder v. Jenkins, 11 N.C. App. 57, 180 S.E.2d 482 (1971).

Plaintiff Need Not Name Other Party. — Any person may sue for the penalty imposed upon sheriffs by the section for a false return, and he need not mention in his complaint the other party, to whom the statute gives one half of the recovery. Harrell v. Warren, 100 N.C. 259, 6 S.E. 777 (1888). See also Martin v. Martin, 50 N.C. 346 (1858); Peebles v. Newsom, 74 N.C. 473 (1876).

Restricted to Civil Process. — The penalty of $500 imposed for a false return by the section is restricted to sheriffs, and false returns by them made to civil process. Harrell v. Warren, 100 N.C. 259, 6 S.E. 777 (1888). See also Martin v. Martin, 50 N.C. 346 (1858).

Element Essential to Liability. — In order to render a sheriff liable for a false return, under the section, falsehood must be found in the statement of facts in the return. Harrell v. Warren, 100 N.C. 259, 6 S.E. 777 (1888).

A return untrue in fact is a false return within the intent and meaning of the statute. Crowder v. Jenkins, 11 N.C. App. 57, 180 S.E.2d 482 (1971).

Mistake. — A return made by a sheriff, that is false in fact, although the officer was mistaken in the manner as to which he made his return will, nevertheless, subject him to the penalty for a false return. Albright v. Tapscott, 53 N.C. 473 (1862).

If a return be false in fact, inadvertence or mistake is no excuse or protection to the officer, although no intentional deceit was practiced. Harrell v. Warren, 100 N.C. 259, 6 S.E. 777 (1888).

The stringent rule has been adopted in this State, that every return untrue in fact is a false return within the statute upon the subject of false returns, although the officer may be mistaken in the matter or insert the fact in his return by inadvertence. It is immaterial that the officer had no selfish purpose to subserve, or was unmoved by any criminal intent. If in returning to the court his action under an execution, his return is false in its facts or any of the facts touching the things done under it,

he is as well exposed to the penalty of $500 denounced against a false return, as if the false facts were willfully and corruptly inserted. Crowder v. Jenkins, 11 N.C. App. 57, 180 S.E.2d 482 (1971).

When the falsity of the return was alleged and not controverted, the issue of the truth or falsity of the return is removed from the case. Crowder v. Jenkins, 11 N.C. App. 57, 180 S.E.2d 482 (1971).

Illustrations. — In an action for the penalty imposed for a false return the complaint stated, in substance, that an execution was placed in the sheriff's hands and by him levied on the goods of the defendant therein named, which goods the sheriff kept locked up for several days; that defendant in the execution, at the time of the levy, demanded that his exemptions be allotted to him; that defendant paid the sheriff $2.50 in part of the execution, while his goods were held under the levy; that after keeping said goods several days, and receiving the said $2.50, the sheriff returned said execution, "Levy made; fees demanded for laying off exemptions and not paid; no further action taken"; that said return was false in that it did not state that he had collected said $2.50 on the execution. Upon such a state of facts the failure to mention the payment of $2.50 in his return made the return defective, but such an omission does not render the sheriff liable to the penalty imposed for a false return. Harrell v. Warren, 100 N.C. 259, 6 S.E. 777 (1888).

Where a sheriff returns upon a fieri facias, two credits for money received, thereon at different times, and, suppressing a third credit, returns not satisfied, it was held that such return was false, and subjected him to the penalty of $500, under Rev. Code, c. 105, § 17, (now this section). Martin v. Martin, 50 N.C. 346 (1858).

Return "Too Late to Hand". — Where a sheriff endorsed truly the day on which he received a declaration in ejectment, returnable to a county court, and returned on the same "too late to hand," although five days intervened between the day endorsed, and the return day, it was held that he was not liable under Rev. Code, c. 105, § 17, (now this section), to the penalty for making a false return. Hassel v. Latham, 52 N.C. 465 (1860).

Return "Not Found". — The return of "Not to be found" on a capias is not true, because of the defendant's being out of the State at the time the return is made, if the officer had an opportunity of making the arrest previously, while the process was in his hands. Martin v. Martin, 50 N.C. 349 (1858). See also Tomlinson v. Long, 53 N.C. 469 (1862); Harrell v. Warren, 100 N.C. 259, 6 S.E. 777 (1888).

A deputy sheriff having an order of arrest to be executed, went to the house of the person named therein, and, after reading to him the summons in the action, told him that he had an order of arrest for him. After some talk, the deputy left the bond with him, on his promise to call next day and fix the matter up. It was held that as the deputy did not have, or attempt to have within his control in any way the party named in the order, there was no arrest, and a return of the order "Not served" did not render the officer liable for a false return. State v. Buxton, 102 N.C. 129, 8 S.E. 774 (1889).

Arrest. — Where a sheriff, having in hand an order of arrest against B., told B. that he "had better come and go with him to Jackson, and fix the matter there"; B. refused to go with him, and the sheriff left, without taking any further action, it was held that what passed did not constitute an arrest of B., and the sheriff was not liable for a false return, in that he returned on the order of arrest, "not served." State v. Buxton, 102 N.C. 129, 8 S.E. 774 (1889).

Statute of Limitations. — When an amercement was imposed upon a sheriff for a false return made more than six years previous, an action upon his official bond to recover the penalty was barred by the statute of limitations. State v. Barefoot, 104 N.C. 224, 10 S.E. 170 (1889).

§ 162-15. Sufficient notice in case of amercement. — In all cases where any sheriff or other officer shall be amerced for failure to make due return of any execution or other process placed in his hands, or for any default whatsoever in office, and judgment nisi or otherwise for the penalty or forfeiture in such case made and provided shall be entered, it shall be sufficient to give such sheriff notice, according to law, under the hand of the clerk and seal of the court where such judgment may be entered, of a motion for a judgment absolute, or for execution, as the case may be; and no other notice, summons or suit shall be necessary to enforce the same; and such proceedings shall be deemed and held in aid of a suit or other proceedings already instituted in court. (1871-2, c. 74, s. 4; Code, s. 446; Rev., s. 2818; C. S., s. 3937.)

Cross Reference. — See note to § 162-14.

Amercement and not a civil action, is the remedy given against a sheriff for not making "due and proper" return of process. Piedmont Mfg. Co. v. Buxton, 105 N.C. 74, 11 S.E. 264 (1890).

When Rule Nisi Granted. — Where a prima facie case is made, either upon affidavit or other sufficient proof a rule nisi is granted as of course. Ex parte Schenck, 63 N.C. 601 (1869).

Immaterial Evidence. — On the trial of an action for the penalty, when the defendant sheriff offered to introduce in evidence the true returns of the proceeds of sale endorsed upon certain other executions, the evidence was immaterial and properly excluded. Finley v. Hayes, 81 N.C. 368 (1879).

Jurisdiction in Court to Which Process Returnable. — An action against a sheriff of a county other than that from which the process issued, for making a false return, is properly brought in the courts of the county to which that process was returnable. Watson v. Mitchell, 108 N.C. 364, 12 S.E. 836 (1891).

Amerced at Subsequent Term. — A sheriff may be amerced at a subsequent term to that at which the process was returnable, for not having made his return at a previous term. Hyatte v. Allison, 48 N.C. 533 (1856).

Return Prima Facie Correct. — The return or certificate of a ministerial officer, as to what he has done out of court, is only to be taken as prima facie true, and is not conclusive; it may be contradicted by any evidence and shown to be false, antedated, etc. Smith v. Lowe, 27 N.C. 197 (1844).

Nonpayment of Fees Does Not Excuse Return. — A sheriff is not required to execute process until his fees are paid or tendered by the person at whose instance the service is to be rendered; but this does not excuse him for a failure to make a return of the process. Jones v. Gupton, 65 N.C. 48 (1871).

Relief from Judgment. — On motion to set aside a judgment against defendant sheriff for an alleged failure to make due return of process, the facts of the instant case entitled him to relief under former § 1-220. [See now Rule 60, Rules of Civil Procedure (§ 1A-1)]. Francks v. Sutton, 86 N.C. 78 (1882).

Duties under C. C. P. and Old System. — The duties and liabilities of a sheriff in relation to the execution of process are nearly the same under the C. C. P. as under the old system but the mode of procedure for enforcing a judgment nisi against him is changed from a scire facias to a civil action, and the summons must be in the same court as the judgment, and must be returned to the regular term thereof. Jones v. Gupton, 65 N.C. 48 (1871).

§ 162-16. Execute summons, order or judgment. — Whenever the sheriff may be required to serve or execute any summons, order or judgment, or to do any other act, he shall be bound to do so in like manner as upon process issued to him, and shall be equally liable in all respects for neglect of duty; and if the sheriff be a party, the coroner shall be bound to perform the service, as he is now bound to execute process where the sheriff is a party; and this Chapter relating to sheriffs shall apply to coroners when the sheriff is a party. Sheriffs and coroners may return process by mail. Their liabilities in respect to the execution of process shall be as prescribed by law.

In those counties where the office of coroner has been abolished, or is vacant, and in which process is required to be served or executed on the sheriff, the authority to serve or execute such process shall be vested in the clerk of court; however, the clerk of court is hereby empowered to designate and direct by appropriate order some person to act in his stead to serve or execute the same. (C. C. P., s. 354; Code, s. 598; Rev., s. 2819; C. S., s. 3938; 1971, c. 653, s. 1.)

When Addressed to Constable. — A constable cannot serve process addressed to the sheriff, nor can a sheriff serve process addressed to a constable. McGloughan v. Mitchell, 126 N.C. 681, 36 S.E. 164 (1900).

When Want of Jurisdiction Not Apparent. — It is well settled, that if a court issuing process has general jurisdiction to issue such process, and the want of jurisdiction does not appear upon the face of the paper, a sheriff and his assistants may justify under it. State v. Ferguson, 67 N.C. 219 (1872).

When Coroner Acts. — In an action wherein the sheriff is a party defendant it is proper that a summons issued against a codefendant should be addressed to and served by the coroner. Battle v. Baird, 118 N.C. 854, 24 S.E. 668 (1896).

The county commissioners may declare the office vacant, upon the insanity of the sheriff, but their failure to do so merely authorizes the coroner to perform the duties of sheriff proper, but does not cast upon him the right to collect taxes. Somers v. Board of Comm'rs, 123 N.C. 582, 31 S.E. 873 (1898).

§ 162-17. Liability of outgoing sheriff for unexecuted process. — Any sheriff who shall have received a precept, and shall go out of office before the

return day thereof, without having executed the same, shall forfeit and pay to the party at whose instance it was issued the sum of one hundred dollars ($100.00), if such precept shall have remained in his hands for such length of time wherein it might have been well executed by him; unless the same shall have been thereafter executed by the successor of such sheriff and returned at the day and place commanded therein; or unless it shall have been delivered over to the succeeding sheriff time enough to have allowed of its being executed by him; and the penalty aforesaid shall be recoverable by notice against such outgoing sheriff and his sureties. (R. C., c. 105, s. 25; Code, s. 2088; Rev., s. 2820; C. S., s. 3939.)

Cross Reference. — See § 162-14 and notes thereto.

When Not to Make Return. — A sheriff, to whom a writ has been delivered, but who goes out of office before the return day of the writ, has no power to make the return on it, and therefore is not liable to amercement for not doing so. State v. Woodside, 29 N.C. 296 (1847).

Delivery to Successor. — It is the duty of the sheriff, going out of office, to deliver all the processes remaining in his hands to his successor. State v. Woodside, 29 N.C. 296 (1847).

§ 162-18. Payment of money collected on execution. — In all cases where a sheriff has collected money upon an execution placed in his hands, if there be no bona fide contest over the application thereof, he shall immediately pay the same to the plaintiff, or into the office of the clerk of the court from which the execution issued, and upon his failure to make such payment upon demand, he shall be liable to a penalty of one hundred dollars ($100.00), to be collected as other penalties. (Code, s. 2080; Rev., s. 2821; C. S., s. 3940.)

The auditing of account of sheriff by county commissioners is prima facie evidence of its correctness, and it is impeachable only for fraud or special error. Williamson v. Jones, 127 N.C. 178, 37 S.E. 202 (1900); Commissioners v. Kenan, 127 N.C. 181, 37 S.E. 997 (1900).

§ 162-19: Repealed by Session Laws 1953, c. 973, s. 3.

§ 162-20. Publish list of delinquent taxpayers. — Whenever any sheriff or tax collector shall be credited on settlement with any tax or taxes by him returned as insolvent, dead or removed, he shall forthwith make publication at the courthouse door, and at least one public place in each and every township in his county, of a complete list of the names of such insolvent, dead or removed delinquents, with the amount of the tax due from each, and the sum total so credited. Such list, by order of the board of commissioners, may also be published in any newspaper printed in the county; in which case, the expense of the advertisement, for such time as may be directed, shall be paid by the county. Any sheriff or tax collector failing to comply with the provisions of this section shall be guilty of a misdemeanor, and upon conviction shall be fined not less than ten ($10.00) nor more than one hundred dollars ($100.00). (1876-7, c. 78, ss. 1, 2, 3; Code, s. 2092; Rev., ss. 2826, 3587; C. S., s. 3942.)

§ 162-21. Liability for escape under civil process. — When any sheriff shall take or receive and have in keeping the body of any debtor in execution, or upon attachment, for not performing a judgment for the payment of any sum of money, and shall willfully or negligently suffer such debtor to escape, the person suing out such execution or attachment, his executors or administrators, shall have and maintain an action for the debt against such sheriff and the sureties on his official bond, and in case of his death, against his executors or administrators, for the recovery of all such sums of money as are mentioned in the execution or attachment, and damages for detaining the same. (13 Edw. I, c. 11; 1777, c. 118, ss. 10, 11, P. R.; R. C., c. 105, s. 20; Code, s. 2083; Rev., s. 2823; C. S., s. 3943.)

I. General Considerations.
II. Liability of Sheriff.
III. Actions.

I. GENERAL CONSIDERATIONS.

Escape Defined. — An escape is defined to be when one who is arrested gains his liberty before he is delivered in due course of law. State v. Ritchie, 107 N.C. 857, 12 S.E. 251 (1890).

An escape has been effected, in the criminal sense of the law, in the language of an eminent author in a work on criminal law, "when one who is arrested, gains his liberty before he is delivered in due course of law." 1 Russell on Crimes, 467. It is defined in brief words by another writer as "the departure of a prisoner from custody." 2 War. Cr. Law, § 2606; State v. Johnson, 94 N.C. 924 (1886).

It is not an escape in a sheriff to permit a debtor committed under a ca. sa. to remain in prison with the door of the prison open, unless such debtor passes out of the prison. Currie v. Worthy, 47 N.C. 104 (1854).

Release before Commitment. — If the sheriff arrests a person on mesne process and, before commitment to prison, allows him to go at large, this is not an escape, but the sheriff is liable as special bail. State v. Falls, 63 N.C. 188 (1869).

Two Kinds of Escape. — There are only two kinds of escape known to our law, of a prisoner confined for debt: one voluntary and the other negligent, except where the prisoner has escaped by the act of God or of the enemies of our country. Adams v. Turrentine, 30 N.C. 147 (1847).

Difference in Liability. — The only difference as to the liability of the officer between the two kinds of escape is that in the case of voluntary escape he is liable absolutely; in the case of negligent escape he has a right to retake the prisoner, and, if he does retake him upon fresh pursuit, he is not liable to an action of debt brought after such recapture, and when he has the prisoner in custody. Adams v. Turrentine, 30 N.C. 147 (1847).

Negligent Escape. — The meaning of the term "negligent escape" in our statute is the same that was given to that term at the common law. Adams v. Turrentine, 30 N.C. 147 (1847).

At Common Law and under Statutes. — At common law a sheriff who had a person in actual custody under legal authority and suffered him to go at large was guilty of an escape; and in civil cases the only remedy for the injured was an action on the case. Various statutes have increased the remedies of the party injured, and changed in some respects the liability of the sheriff. State v. Falls, 63 N.C. 188 (1869).

Not Dependent upon § 162-14. — It would seem that this section is in nowise dependent upon § 162-14. In the case of Richardson v. Wicker, 80 N.C. 172 (1879), the court says: "The imposition of a penalty for a want of official diligence is a matter of State regulation, and it would be no impairment of the plaintiff's right to collect his debt if the legislature should repeal the amercement law altogether." Washington Toll Bridge Co. v. Commissioners of Beaufort, 81 N.C. 491 (1879).

Recapture as Defense. — Where a prisoner confined for debt escapes, the officer in an action against him for the escape, can only excuse himself by showing that he has not only made fresh pursuit, but also that he has actually recaptured the prisoner before suit brought. Without this, fresh pursuit will not excuse the officer, even though the prisoner die before the officer has it in his power, by due diligence, to recapture him. Whicker v. Roberts, 32 N.C. 485 (1849).

Defense of Recapture Made on General Issue. — In this State the defense of fresh pursuit and recapture need not be by plea, but may be made on the general issue. Whicker v. Roberts, 32 N.C. 485 (1849).

II. LIABILITY OF SHERIFF.

General Rule as to Liability. — In all cases of escape after a debtor is committed to jail, the sheriff is liable, however innocent he may be, unless the escape has been occasioned by the act of God or the public enemies. Rainey v. Dunning, 6 N.C. 386 (1818).

Escape of Insolvent Surrendered in Open Court. — To render a sheriff liable for the escape of an insolvent, surrendered in open court, it is necessary to show that such insolvent was committed to the sheriff's custody by an order of the court. A mere prayer to that effect will not be sufficient. State v. McKee, 47 N.C. 379 (1885).

Release on Bond to Appear and Take Insolvent's Oath. — Where a defendant has been arrested upon mesne process and gives bail, and, after judgment, the bail surrenders him to the sheriff, out of term-time, no execution having been issued on the judgment nor any committitur prayed by the plaintiff, if the sheriff releases him upon a bond to appear at court and take the benefit of the insolvent law, the sheriff is liable for an escape. State v. Ellison, 31 N.C. 261 (1848).

When Directed Not to Serve Ca. Sa. on One of Two Defendants. — When a judgment is obtained against two or more, and no bail bond has been taken from either of the defendants in the suit, and the sheriff, who has thus become bail for all, after the rendition of the judgment and the issuing of the ca. sa., is directed by the plaintiff not to serve the ca. sa. on one of the

defendants, he is still liable, as bail, for not surrendering the other defendant. Jackson v. Hampton, 32 N.C. 579 (1849).

When Prisoner Committed on Mesne Process. — A sheriff is not liable as special bail, after he has committed a defendant on mesne process, though such defendant be permitted by him to go at large. Buffalow v. Hussey, 44 N.C. 237 (1853).

A sheriff having permitted one arrested by him upon mesne process in a civil action, to go into an adjoining room, from which he escaped, was guilty of an escape. Winborne & Bro. v. Mitchell, 111 N.C. 13, 15 S.E.882 (1892).

Prisoner Discharged as Insolvent. — Where a scire facias was issued against a sheriff to charge him as special bail for a person sued at the instance of the plaintiff, and who had been, for want of bail, committed to jail in the sheriff's county, and afterwards discharged as an insolvent by two magistrates, it was held that the sheriff was not liable as special bail. Buffalow v. Hassey, 44 N.C. 237 (1853).

Return Sufficient to Charge Sheriff. — The words "executed P. R. T., D. Sheriff," endorsed on a capias, which, duly issued, and came to the hands of the sheriff, are so much a due and legal return, as to make the sheriff liable as special bail, on the failure of him or his deputy, to take a bail bond. Washington v. Vinson, 49 N.C. 380 (1857).

When Sheriff Fails to Take Bail. — The sheriff is said to fail to take bail when the paper returned by him as a bail bond is so defective and imperfect as to be adjudged not to be such. Adams v. Jones, 60 N.C. 198 (1864).

Exceptions and Notice. — If the sheriff fails to take bail, the plaintiff need not file exceptions nor give notice to fix him as bail. Adams v. Jones, 60 N.C. 198 (1864).

Failure to Handcuff as Negligence Per Se. — A sheriff's liability for permitting an escape depends on the circumstances of the particular case, and failure to handcuff does not constitute negligence per se. State v. Hunter, 94 N.C. 829 (1886).

May Become Special Bail. — If the person, after arrest, get at large by the negligence of the sheriff and against his will, he may by his return elect to become special bail. State v. Falls, 63 N.C. 188 (1869).

III. ACTIONS.

Negligent Escape When No Actual Negligence. — An action of debt will lie against a sheriff under statute for a negligent escape of a prisoner confined for debt, even though there was no actual negligence. Adams v. Turrentine, 30 N.C. 147 (1847).

Damages Really Sustained. — In an action of debt on a sheriff's bond for the escape of a debtor imprisoned under a ca. sa., the jury is not bound to give the whole sum due from such debtor, but should give the damages really sustained by the escape. State v. Eure, 53 N.C. 320 (1861), in which the case of Governor v. Matlock, 8 N.C. 425 (1821), is cited and approved.

Objection as to County by Plea in Abatement. — In an action for an escape, if the defendant wishes to except, upon the ground of its being a penal action, that it is brought in the wrong county, he must make the objection by plea in abatement. Whicker v. Roberts, 32 N.C. 485 (1849).

When Creditor Will Not Charge Party in Execution. — After surrender, if the creditor, upon reasonable notice, will not charge the party in execution, either a habeas corpus or a supersedeas would be issued by the court. State v. Ellison, 31 N.C. 261 (1848).

§ 162-22. Custody of jail. — The sheriff shall have the care and custody of the jail in his county; and shall be, or appoint, the keeper thereof; provided that the board of county commissioners of any county by and with the consent of the sheriff shall have the authority to appoint a person other than the sheriff to serve as jailer; the person appointed by a board of county commissioners as jailer shall have the care and custody of the county jail.

No law-enforcement officer or jailer who shall have the care and custody of any jail shall receive any portion of any jail fee or charge paid by or for any person confined in such jail, nor shall the compensation or remuneration of such officer be affected to any extent by the costs of goods or services furnished to any person confined in such jail. (R. C., c. 105, s. 22; Code, s. 2085; Rev., s. 2824; C. S., s. 3944; 1967, c. 581, s. 3; 1969, c. 1090.)

Duties of Jailer. — The duties of a jailer are those prescribed by statute and those recognized at common law. Gowens v. Alamance County, 216 N.C. 107, 3 S.E.2d 339 (1939).

Jailer Bound Only to Sheriff. — Where a sheriff arrested a man on a ca. sa. and committed him to jail, in custody of the jailer, and the prisoner escaped, it was held that without a bond of indemnity, the jailer was only bound to the sheriff for want of fidelity or due care in the discharge of his duty. Turrentine v. Faucett, 33 N.C. 652 (1850).

Sheriff May Take Jailer's Bond. — A sheriff has a right to take a bond from the jailer to indemnify him for all losses to which he may be subjected by the escape of a prisoner while in custody of the jailer. Turrentine v. Faucett, 33 N.C. 652 (1850).

Negligence of Deputy in Charge of Jail. — Where the evidence is sufficient to be submitted to the jury as to the negligence of a deputy in charge of a jail in causing injury to a prisoner in closing the cell door on the prisoner's thumb, it is sufficient to be submitted to the jury as to the liability of the sheriff, since the act of the deputy is within the scope of his authority and in the line of his duty, and the liability of the sheriff for acts of his deputy is governed by the law applicable to the law of principal and agent. Davis v. Moore, 215 N.C. 449, 2 S.E.2d 366 (1939).

Cited in Sutton v. Williams, 199 N.C. 546, 155 S.E. 160 (1930); Wilkie v. Henderson County, 1 N.C. App. 155, 160 S.E.2d 505 (1968); Berch v. Stahl, 373 F. Supp. 412 (W.D.N.C. 1974).

§ 162-23. Prevent entering jail for lynching; county liable. — When the sheriff of any county has good reason to believe that the jail of his county is in danger of being broken or entered for the purpose of killing or injuring a prisoner placed by the law in his custody, it shall be his duty at once to call on the commissioners of the county, or some one of them, for a sufficient guard for the jail, and in such case, if the commissioner or commissioners fail to authorize the employment of necessary guards to protect the jail, and by reason of such failure the jail is entered and a prisoner killed, the county in whose jail the prisoner is confined shall be responsible in damages, to be recovered by the personal representatives of the prisoner thus killed, by action begun and prosecuted before the superior court of any county in this State. (1893, c. 461, s. 7; Rev., s. 2825; C. S., s. 3945.)

§ 162-24. Not to farm office. — No sheriff shall let to farm in any manner, his county, or any part of it, under pain of forfeiting five hundred dollars ($500.00), one half to the use of the county and the other half to the person suing for the same. (23 Hen. VI, c. 10; R. C., c. 105, s. 21; Code, s. 2084; Rev., s. 2828; C. S., s. 3946.)

A sheriff may employ a deputy to assist him, but he cannot delegate his authority to another. Cansler v. Penland, 125 N.C. 578, 34 S.E. 683 (1899).

Letting to Farm. — The section prohibits a sheriff from letting to farm, in any manner, his county, or any part of it. Cansler v. Penland, 125 N.C. 578, 34 S.E. 683 (1899).

Cannot Be Subject of Bargain and Sale. — The public has an interest in the proper performance of their duties by public officers, and would be prejudiced by agreements tending to impair an officer's efficiency or in any way interfere with or disturb the due execution of the duties of the office. The office of sheriff and tax collector is one of public confidence and fidelity to a public trust, and cannot be a matter of bargain and sale. It requires good faith and duty. Cansler v. Penland, 125 N.C. 578, 34 S.E. 683 (1899).

Traffic in public offices is against good morals and contrary to public policy. Basket v. Moss, 115 N.C. 448, 20 S.E. 733 (1894).

To Secure Appointment, or Expenses for Attempting. — Not only an agreement by A to pay to B, a public officer, an amount equal to the emoluments of the unexpired term of his office in consideration of his resignation and his influence to secure the appointment of A to the office is void, but likewise an agreement to compensate anyone for or to pay the expenses of anyone in attempting to secure the appointment. Basket v. Moss, 115 N.C. 448, 20 S.E. 733 (1894).

§ 162-25. Obligations taken by sheriff payable to himself. — The sheriff or his deputy shall take no obligation of or from any person in his custody for or concerning any matter or thing relating to his office otherwise payable than to himself as sheriff and dischargeable upon the prisoner's appearance and rendering himself at the day and place required in the writ (whereupon he was or shall be taken or arrested), and his sureties discharging themselves therefrom as special bail of such prisoner or such person keeping within the limits and rules of any prison; and every other obligation taken by any sheriff in any other manner or form, by color of his office, shall be void, except in any special case and other obligation shall be, by law, particularly and expressly directed; and

no sheriff shall demand, exact, take or receive any greater fee or reward whatsoever, nor shall have any allowance, reward or satisfaction from the public, for any service by him done, other than such sum as the court shall allow for ex officio services and the allowance given and provided by law. (1777, c. 118, s. 8, P. R.; R. C., c. 105, s. 19; Code, s. 2082; Rev., s. 2829; C. S., s. 3947.)

§§ 162-26 to 162-30: Reserved for future codification purposes.

Article 4.

County Prisoners.

§ 162-31: Repealed by Session Laws 1975, c. 166, s. 26.

Editor's Note. — See Editor's note following the analysis to Chapter 15A.

§ 162-32. Bond of prisoner committed on capias in civil action. — Every bond given by any person committed in arrest and bail, or in custody after final judgment, shall be assigned by the sheriff to the party at whose instance such person was committed to jail, and shall be returned to the office of the clerk of the court where the judgment was rendered, and shall have the force of a judgment. If any person who obtains the rules of any prison, as aforesaid, escapes out of the same before he has paid the debt or damages and costs according to the condition of his bond, the court where the bond is filed, upon motion of the assignee thereof, shall award execution against such person and his sureties for the debt or damages and costs, with interest from the time of escape till payment, and no person committed to jail on such execution shall be allowed the rules of prison: Provided, the obligors have ten days' previous notice of such motion, in writing; but they shall not be admitted to deny the making of the bond in their answer, unless by affidavit they prove the truth of the plea. (1759, c. 65, ss. 2, 3, P. R.; R. C., c. 87, s. 14; Code, s. 3469; Rev., s. 1341; C. S., s. 1345; 1973, c. 822, s. 3.)

Editor's Note. — This Article, comprising §§ 162-31 through 162-49, was formerly Article 15, §§ 153-177 through 153-198, of Chapter 153. It was reenacted and transferred to its present location by Session Laws 1973, c. 822, s. 3.

§ 162-33. Prisoner may furnish necessaries. — Prisoners shall be allowed to purchase and procure such necessaries, in addition to the diet furnished by the jailer, as they may think proper; and to provide their own bedding, linen and clothing, without paying any perquisite to the jailer for such indulgence. (1795, c. 433, s. 6, P. R.; R. C., c. 87, s. 8; Code, s. 3463; Rev., s. 1344; C. S., s. 1348; 1973, c. 822, s. 3.)

§ 162-34. United States prisoners to be kept. — When a prisoner is delivered to the keeper of any jail by the authority of the United States, such keeper shall receive any prisoner, and commit him accordingly; and every keeper of a jail refusing or neglecting to take possession of a prisoner delivered to him by the authority aforesaid shall be subject to the same pains and penalties as for neglect or refusal to commit any prisoner delivered to him under the authority of the State. The allowance for the maintenance of any prisoner committed as aforesaid shall be equal to that made for prisoners committed under the authority of the State. (1790, c. 322, ss. 1, 2, P. R.; R. C., c. 87, s. 1; Code, s. 3456; Rev., s. 1342; C. S., s. 1349; 1973, c. 822, s. 3.)

§ 162-35. Arrest of escaped persons from penal institutions. — Upon information received from the superintendent of any correctional or any penal institution, established by the laws of the State, that any person confined in such institution or assigned thereto by juvenile or other court under authority of law, has escaped therefrom and is still at large, it shall be the duty of sheriffs of the respective counties of the State, and of any peace officer in whose jurisdiction such person may be found, to take into his custody such escaped person, if to be found in his county, and to cause his return to the custody of the proper officer of the institution from which he has escaped. (1933, c. 105, s. 1; 1973, c. 822, s. 3.)

§ 162-36. Transfer of prisoners to succeeding sheriff. — The delivery of prisoners, by indenture between the late and present sheriff, or the entering on record in court the names of the several prisoners, and the causes of their commitment, delivered over to the present sheriff, shall be sufficient to discharge the late sheriff from all liability for any escape that shall happen. (1777, c. 118, s. 12, P. R.; R. C., c. 87, s. 15; Code, s. 3470; Rev., s. 1348; C. S., s. 1352; 1973, c. 822, s. 3.)

§ 162-37. Where no jail, sheriff may imprison in jail of adjoining county. — The sheriffs and other ministerial officers of any county in which there is no jail have authority to confine any prisoner arrested on process, civil or criminal, and held in custody for want of bail, in the jail of any adjoining county, until bail be given or tendered. And any sheriff or jailer having a prisoner in his custody, by virtue of any mode of commitment provided in this Article, shall be liable, civilly and criminally, for his escape, in the same manner as if such prisoner had been confined in the prison of his proper county. (1835, c. 2, s. 3; R. C., c. 87, s. 4; Code, s. 3459; Rev., s. 1349; C. S., s. 1353; 1973, c. 57, s. 1; c. 822, s. 3.)

§ 162-38. Where no jail, courts may commit to jail of adjoining county. — Whenever there happens to be no jail, or when there is an unfit or insecure jail, in any county, the judicial officers of such county may commit all persons brought before them, whether in a criminal or civil proceeding, to the jail of any adjoining county, for the same causes and under the like regulations that they might have ordered commitments to the usual jail; and the sheriffs and other officers of such county in which there is no jail, or an unfit one, and the sheriffs or keepers of the jails of the adjoining counties, shall obey any order of commitment so made. Any officer failing to obey such order shall be guilty of a misdemeanor. (1835, c. 2, s. 2; R. C., c. 87, s. 3; Code, s. 3458; Rev., s. 1350; C. S., s. 1354; 1973, c. 57, s. 2; c. 822, s. 3.)

Local Modification. — Elizabeth City: 1973, c. 487.

§ 162-39. Transfer of prisoners when necessary for safety and security; application of section to municipalities. — Whenever necessary for the safety of a prisoner held in any county jail or to avoid a breach of the peace in any county, the resident judge of the superior court or any judge holding superior court in the district may order the prisoner transferred to a fit and secure jail in some other county, or to a unit of the State prison system designated by the Commissioner of Correction or his authorized representative, where the prisoner shall be held for such length of time as the judge may direct. The sheriff of the county from which the prisoner is removed shall be responsible for conveying the prisoner to the jail or prison unit where he is to be held, and for returning him to the common jail of the county from which he was transferred. The return shall be made at the expiration of the time designated in the court order directing

the transfer unless the judge, by appropriate order, shall direct otherwise. The sheriff or keeper of the jail of the county designated in the court order, or the officer in charge of the prison unit designated by the Commissioner of Correction, shall receive and release custody of the prisoner in accordance with the terms of the court order. The county from which a prisoner is transferred shall pay to the county receiving the prisoner in its jail, or to the State Department of Correction if he is received in a prison unit, the actual cost of maintaining the prisoner in that jail or prison unit for the time designated by the court.

Whenever prisoners are arrested in such numbers that county jail facilities are insufficient and inadequate for the safekeeping of such prisoners, the resident judge of the superior court or any judge holding superior court in the district may order the prisoners transferred to a unit of the State Department of Correction designated by the Commissioner of Correction or his authorized representative, where the prisoners may be held for such length of time as the judge may direct, such detention to be in cell separate from that used for imprisonment of persons already convicted of crimes. The sheriff of the county from which the prisoners are removed shall be responsible for conveying the prisoners to the prison unit or units where they are to be held, and for returning them to the common jail of the county from which they were transferred. However, if due to the number of prisoners to be conveyed the sheriff is unable to provide adequate transportation, he may request the assistance of the Department of Correction, and the Department of Correction is hereby authorized and directed to cooperate with the sheriff and provide whatever assistance is available, both in vehicles and manpower, to accomplish the conveying of the prisoners to and from the county to the designated prison unit or units. The officer in charge of the prison unit designated by the Commissioner of Correction or his authorized representative shall receive and release the custody of the prisoners in accordance with the terms of the court order. The county from which the prisoners are transferred shall pay to the State Department of Correction the actual cost of transporting and maintaining the prisoners. However, if the county commissioners shall certify to the Governor that the county is unable to pay the bill submitted by the State Department of Correction to the county for the services rendered, either in whole or in part, the Governor may recommend to the Council of State that the State of North Carolina assume and pay, in whole or in part, the obligation of the county to the Department of Correction, and upon approval of the Council of State the amount so approved shall be paid from Contingency and Emergency Fund to the Department of Correction.

When, due to an emergency, it is not feasible to obtain from a judge of superior court a prior order of transfer, the sheriff of the county and the Department of Correction may exercise the authority hereinafter conferred; provided, however, that the sheriff shall, as soon as possible after the emergency, obtain an order from the judge authorizing the prisoners to be held in the designated place of confinement for such period as the judge may direct. All provisions of this section shall be applicable to municipalities whenever prisoners are arrested in such numbers that the municipal jail facilities and the county jail facilities are insufficient and inadequate for the safekeeping of the prisoners. The chief of police is hereby authorized to exercise the authority herein conferred upon the sheriff, and the cost of transporting and maintaining the prisoners shall be paid by the municipality unless action is taken by the Governor and Council of State as herein provided for counties which are unable to pay such costs. (1957, c. 1265; 1967, c. 996, ss. 13, 15; 1969, cc. 462, 1130; 1973, c. 822, s. 3.)

A "safekeeper" is a person who has been convicted of a crime in superior court, or in some instances who may be awaiting trial, and who is ordered by a judge to be transferred to the

central prison or some other unit of the Department of Correction under the appropriate statutes in the interests of the safety of the prisoner or the safety of others. Kersh v. Bounds, 364 F. Supp. 590 (W.D.N.C. 1973), cert. denied, 420 U.S. 925, 95 S. Ct. 1120, 43 L. Ed. 2d 394 (1975).

Prisoners in Safekeeping Status Are Not Serving Sentence. — Although if a conviction is affirmed on appeal the time spent in custody before final affirmance of the conviction does count as part of the sentence to be served, prisoners are not, while in this "safekeeping" status, considered to be "serving a sentence" with the North Carolina Department of Correction. Kersh v. Bounds, 364 F. Supp. 590 (W.D.N.C. 1973), cert. denied, 420 U.S. 925, 95 S. Ct. 1120, 43 L. Ed. 2d 394 (1975).

Treating Safekeepers and Regular Inmates to Different Medical Treatment Is Unconstitutional. — The practice of treating prison inmates to two different standards of medical treatment merely because the bills of safekeepers are paid by the counties, whereas the bills of regular prison inmates are paid by the State, is a denial of equal protection of the laws as required by the Constitution. Kersh v. Bounds, 364 F. Supp. 590 (W.D.N.C. 1973), cert. denied, 420 U.S. 925, 95 S. Ct. 1120, 43 L. Ed. 2d 394 (1975).

There is no rational basis in giving prisoners different medical treatment just because the State has divided the responsibility of footing the bills among different governmental subdivisions. The classification of safekeepers as opposed to regular inmates is even more tenuous, being based purely on the accident of which State instrumentality pays the bill, and as such it is arbitrary and unreasonable. Kersh v. Bounds, 364 F. Supp. 590 (W.D.N.C. 1973), cert. denied, 420 U.S. 925, 95 S. Ct. 1120, 43 L. Ed. 2d 394 (1975).

§ 162-40. When jail destroyed, transfer of prisoners provided for. — When the jail of any county is destroyed by fire or other accident, any judge or magistrate of such county may cause all prisoners then confined therein to be brought before him; and upon the production of the process under which any prisoner was confined shall order his commitment to the jail of any adjacent county; and the sheriff or other officer of the county deputized for that purpose shall obey the order; and the sheriff or keeper of the common jail of such adjacent county shall receive such prisoners. Any officer failing to obey such order of commitment shall be guilty of a misdemeanor. (1835, c. 2, s. 1; R. C., c. 87, s. 2; Code, s. 3457; Rev., s. 1351; C. S., s. 1355; 1973, c. 57, s. 3; c. 822, s. 3.)

§ 162-41. Duty to receive and retain prisoners brought in by law-enforcement officers. — It shall be the duty of the jailer of any county jail of this State where there are available facilities to receive, incarcerate and retain any prisoner brought to such county jail by any law-enforcement officer of such county or of any municipality in such county or by any law-enforcement officer of the State; provided, however, the foregoing provisions shall not be applicable with regard to prisoners arrested by law-enforcement officers of a municipality which has its own jail or to prisoners not arrested in the county. Any jailer willfully refusing to comply with the provisions of this section shall be guilty of a misdemeanor and upon conviction thereof shall be fined or imprisoned in the discretion of the court. (1957, c. 1439; 1973, c. 822, s. 3.)

Sheriff's Duty Is Affirmative, Not Discretionary. — When an individual is brought to a county jail as a prisoner by two police officers of a municipality in that county, the sheriff's duty is fixed by this section. He has no discretion in the matter, but is under an affirmative duty "to receive, incarcerate and retain" a prisoner until the prisoner should become entitled to be released in some manner provided by law. Foust v. Hughes, 21 N.C. App. 268, 204 S.E.2d 230 (1974).

No valid claim for relief may be maintained against a sheriff for complying with the statutory duty imposed by this section. Foust v. Hughes, 21 N.C. App. 268, 204 S.E.2d 230 (1974).

§ 162-42. Counties and towns may hire out certain prisoners. — The board of commissioners of the several counties, within their respective jurisdictions, or such other county authorities therein as may be established, and the mayor and intendant of the several cities and towns of the State, have power to provide

under such rules and regulations as they may deem best for the employment on the public streets, public highways, public works, or other labor for individuals or corporations, of all persons imprisoned in the jails of their respective counties, cities and towns, upon conviction of any crime or misdemeanor, or who may be committed to jail for failure to enter into bond for keeping the peace or for good behavior, and who fail to pay all the costs which they are adjudged to pay, or to give good and sufficient security therefor: Provided, such prisoner or convict shall not be detained beyond the time fixed by the judgment of the court. The amount realized from hiring out such persons shall be credited to them for the fine and bill of costs in all cases of conviction. It is unlawful to farm out any such convicted person who may be imprisoned for the nonpayment of a fine, or as punishment imposed for the offense of which he may have been convicted, unless the court before whom the trial is had shall in its judgment so authorize. (1866-7, c. 30; 1872-3, c. 174, s. 10; 1874-5, c. 113; 1876-7, c. 196, s. 1; 1879, c. 218; Code, s. 3448; Rev., s. 1352; C. S., s. 1356; 1973, c. 822, s. 3.)

§ 162-43. Person hiring may prevent escape. — The party in whose service said convicts may be may use the necessary means to hold and keep them in custody and to prevent their escape. (1876-7, c. 196, s. 3; Code, s. 3454; Rev., s. 1353; C. S., s. 1357; 1973, c. 822, s. 3.)

§ 162-44. Sheriff to have control of prisoners hired out. — All convicts hired or farmed out by the county or other municipal authorities shall at all times be under the supervision and control, as to their government and discipline, of the sheriff, or his deputy, of the county in which they were convicted and imprisoned, and the sheriff, or his deputy, shall be deemed a State officer for the purpose of this section. (1876-7, c. 196, s. 2; Code, s. 3453; Rev., s. 1354; C. S., s. 1358; 1973, c. 822, s. 3.)

§ 162-45. Convicts who may be sentenced to imprisonment at hard labor on the public roads. — It is lawful for and the duty of the judge holding court to sentence to imprisonment at hard labor on the public roads, in accordance with G.S. 148-28, 148-30 and 148-32 for such terms of 30 days or more as are now prescribed by law for their imprisonment in the county jail or in the State's prison, the following classes of convicts: First, all persons convicted of offenses the punishment whereof would otherwise be wholly, or in part, imprisonment in the common jail; second, all persons convicted of crimes the punishment whereof would otherwise, wholly or in part, be imprisonment in the State's prison. (1887, c. 355; 1889, c. 419; Rev., s. 1355; C. S., s. 1359; 1973, c. 57, s. 4; c. 822, s. 3.)

§ 162-46. Deductions from sentence allowed for good behavior. — When a convict has been sentenced to work upon the public works of a county, and has faithfully performed the duties assigned to him during his term of sentence, he is entitled to a deduction from the time of his sentence of five days for each month, and he shall be discharged from the county works when he has served his sentence, less the number of days he may be entitled to have deducted. The authorities having him in charge shall be the sole judges as to the faithful performance of the duties assigned to him. Should he escape or attempt to escape he shall forfeit and lose any deduction he may have been entitled to prior to that time. This section shall apply also to women sentenced to a county farm or county home. (1913, c. 167, s. 1; C. S., s. 1360; 1973, c. 822, s. 3.)

§ 162-47. Convicts sentenced to public works to be under county control. — The convicts sentenced to hard labor upon the public works, under the second paragraph of G.S. 162-45, shall be under the control of the county authorities, and the county authorities have power to enact all needful rules and regulations

for the successful working of convicts upon the public works. The county commissioners may work such convicts in canaling the main drains and swamps or on other public work of the county. (1887, c. 355, s. 2; 1891, c. 164; Rev., s. 1356; C. S., s. 1361; 1973, c. 822, s. 3.)

Editor's Note. — The second paragraph of § 162-45 was eliminated by Session Laws 1973, c. 57, s. 4.

§ 162-48. Taxes may be levied for expenses of convicts. — The board of county commissioners of the several counties in the State taking advantage of this Article shall levy a special tax annually as other taxes are levied for the purpose of paying the expenses of said convicts, building of stockades, etc., and the expenses shall be paid by the counties. (1887, c. 355, s. 6; Rev., s. 1359; C. S., s. 1364; 1973, c. 822, s. 3.)

§ 162-49. Use of county prisoners in maintaining roads not within State system. — The State Highway Commission may, on official request from a board of county commissioners authorize such board of county commissioners to use any county prisoners, upon such terms as may be agreed upon, to maintain and grade any neighborhood road within the county not at such time within the system of the State Highway Commission, but this authorization shall not authorize the levying of any tax for support of local roads; and like authority is extended to the boards of drainage commissioners for public drainage districts for the maintenance and upkeep of such districts. (1937, c. 297, s. 3 ½; 1957, c. 65, s. 11; 1973, c. 822, s. 3.)

Chapter 162A.

Water and Sewer Systems.

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ARTICLE 1.

Water and Sewer Authorities.

§ 162A-1. Title. — This Article shall be known and may be cited as the "North Carolina Water and Sewer Authorities Act." (1955, c. 1195, s. 1; 1971, c. 892, s. 1.)

§ 162A-2. Definitions. — As used in this Article the following words and terms shall have the following meanings, unless the context shall indicate another or different meaning or intent:

(1) The word "authority" shall mean an authority created under the provisions of this Article or, if such authority shall be abolished, the board, body or commission succeeding to the principal functions thereof or to whom the powers given by this Article to the authority shall be given by law.

(2) The word "Board" shall mean the Board of Water Commissioners of the State of North Carolina or the board, body or commission succeeding to the principal functions thereof or to whom the powers given by this Article to the Board shall be given by law.

(3) The word "cost" as applied to a water system or a sewer system shall include the purchase price of any such system, the cost of construction, the cost of all labor and materials, machinery and equipment, the cost of improvements, the cost of all lands, property, rights, easements and franchises acquired, financing charges, interest prior to and during construction and, if deemed advisable by the authority, for one year after completion of construction, cost of plans and specifications, surveys and estimates of cost and of revenues, cost of engineering and legal services, and all other expenses necessary or incident to determining the feasibility or practicability of such construction, administrative expense and such other expenses, including reasonable provision for working capital, as may be necessary or incident to the financing herein authorized. Any obligation or expense incurred by the authority or by any political subdivision prior to the issuance of bonds

under the provisions of this Article in connection with any of the foregoing items or cost may be regarded as a part of such cost.

(4) The term "governing body" shall mean the board, commission, council or other body, by whatever name it may be known, in which the general legislative powers of the political subdivision are vested.

(5) The word "improvements" shall mean such repairs, replacements, additions, extensions and betterments of and to a water system or a sewer system as are deemed necessary by the authority to place or to maintain such system in proper condition for its safe, efficient and economic operation or to meet requirements for service in areas which may be served by the authority and for which no existing service is being rendered.

(6) The word "person" shall mean any and all persons, including individuals, firms, partnerships, associations, public or private institutions, municipalities, or political subdivisions, governmental agencies, or private or public corporations organized and existing under the laws of this State or any other state or country.

(7) The term "political subdivision" shall mean any county, city, town, incorporated village, sanitary district or other political subdivision or public corporation of this State now or hereafter incorporated.

(7a) The word "revenues" shall mean all moneys received by an authority from or in connection with any sewer system or water system including, without limitation, any moneys received as interest grants.

(8) The word "sewage" shall mean the water-carried wastes created in and carried or to be carried away from residences, hotels, schools, hospitals, industrial establishments, commercial establishments or any other private or public building together with such surface or ground water or household and industrial wastes as may be present.

(9) The term "sewage disposal system" shall mean and shall include any plant, system, facility or property used or useful or having the present capacity for future use in connection with the collection, treatment, purification or disposal of sewage (including industrial wastes resulting from any processes of industry, manufacture, trade or business or from the development of any natural resources), or any integral part thereof, including but not limited to treatment plants, pumping stations, intercepting sewers, trunk sewers, pressure lines, mains and all necessary appurtenances and equipment, and all property, rights, easements and franchises relating thereto and deemed necessary or convenient by the authority for the operation thereof.

(10) The word "sewers" shall include mains, pipes and laterals for the reception of sewage and carrying such sewage to an outfall or some part of a sewage disposal system, including pumping stations where deemed necessary by the authority.

(11) The term "sewer system" shall embrace both sewers and sewage disposal systems and all property, rights, easements and franchises relating thereto.

(12) The term "water system" shall mean and include all plants, systems, facilities or properties used or useful or having the present capacity for future use in connection with the supply or distribution of water, and any integral part thereof, including but not limited to water supply systems, water distribution systems, sources of water supply including lakes, reservoirs and wells, intakes, mains, laterals, aqueducts, pumping stations, standpipes, filtration plants, purification plants, hydrants, meters, valves, and all necessary appurtenances and equipment and all properties, rights, easements and franchises relating

thereto and deemed necessary or convenient by the authority for the operation thereof. (1955, c. 1195, s. 2; 1969, c. 850; 1971, c. 892, s. 1.)

§ 162A-3. Procedure for creation; certificate of incorporation; certification of principal office and officers. — (a) The governing bodies of any two or more political subdivisions may by resolution signify their determination to organize an authority under the provisions of this Article. Each of such resolutions shall be adopted after a public hearing thereon, notice of which hearing shall be given by publication at least once, not less than 10 days prior to the date fixed for such hearing, in a newspaper having a general circulation in the political subdivision. Such notice shall contain a brief statement of the substance of the proposed resolution, shall set forth the proposed articles of incorporation of the authority and shall state the time and place of the public hearing to be held thereof. No such political subdivision shall be required to make any other publication of such resolution under the provisions of any other law.

(b) Each such resolution shall include articles of incorporation which shall set forth:

(1) The name of the authority;

(2) A statement that such authority is organized under this Article;

(3) The names of the organizing political subdivisions; and

(4) The names and addresses of the first members of the authority appointed by the organizing political subdivisions.

(c) A certified copy of each of such resolutions signifying the determination to organize an authority under the provisions of this Article shall be filed with the Secretary of State of North Carolina, together with proof of publication of the notice of hearing on each of such resolutions. If the Secretary of State finds that the resolutions, including the articles of incorporation, conform to the provisions of this Article and that the notices of hearing were properly published, he shall file such resolutions and proofs of publication in his office and shall issue a certificate of incorporation under the seal of the State and shall record the same in an appropriate book of record in his office. The issuance of such certificate of incorporation by the Secretary of State shall constitute the authority a public body and body politic and corporate of the State of North Carolina. Said certificate of incorporation shall be conclusive evidence of the fact that such authority has been duly created and established under the provisions of this Article.

(d) When the authority has been duly organized and its officers elected as herein provided the secretary of the authority shall certify to the Secretary of State the names and addresses of such officers as well as the address of the principal office of the authority. (1955, c. 1195, s. 3; 1971, c. 892, s. 1.)

§ 162A-3.1. Alternative procedure for creation. — (a) As an alternative to the procedure set forth in G.S. 162A-3, the governing bodies of any two or more political subdivisions may by resolution signify their determination to organize an authority under the provisions of this section of this Article. Each of such resolutions shall be adopted after a public hearing thereon, notice of which hearing shall be given by publication at least once, not less than 10 days prior to the date fixed for such hearing, in a newspaper having a general circulation in the political subdivision. Such notice shall contain a brief statement of the substance of the proposed resolution, shall set forth the proposed articles of incorporation of the authority and shall state the time and place of the public hearing. No such political subdivision shall be required to make any other publication of such resolution under the provisions of any other law.

(b) Each such resolution shall include articles of incorporation which shall set forth:

(1) The name of the authority;

(2) A statement that such authority is organized under this section of this Article;
(3) The names of the organizing political subdivisions;
(4) The names and addresses of the members of the authority appointed by the organizing political subdivisions; and
(5) A statement that members of the authority will be limited to such members as may be appointed from time to time by the organizing political subdivisions.

(c) A certified copy of each of such resolutions signifying the determination to organize an authority under the provisions of this section of this Article shall be filed with the Secretary of State of North Carolina, together with proof of publication of the notice of hearing on each of such resolutions. If the Secretary of State finds that the resolutions, including the articles of incorporation, conform to the provisions of this section of this Article and that the notices of hearing were properly published, he shall file such resolutions and proofs of publication in his office and shall issue a certificate of incorporation under the seal of the State and shall record the same in an appropriate book of record in his office. The issuance of such certificate of incorporation by the Secretary of State shall constitute the authority a public body and body politic and corporate of the State of North Carolina. Said certificate of incorporation shall be conclusive evidence of the fact that such authority has been duly created and established under the provisions of this section of this Article.

(d) When the authority has been duly organized and its officers elected as herein provided the secretary of the authority shall certify to the Secretary of State the names and addresses of such officers as well as the address of the principal office of the authority. (1975, c. 224, s. 1.)

§ 162A-4. Withdrawal from authority; joinder of new subdivision. — (a) Whenever an authority has been organized under the provisions of this Chapter, any political subdivision may withdraw therefrom at any time prior to the creation of any obligations by the authority, and any political subdivision not having joined in the original organization may, with the consent of the authority, join the authority; provided, that any political subdivision not having joined the original organization shall have the right upon reasonable terms and conditions, whether the authority shall consent thereto or not, to join the authority if the authority's water system or sewer system, or any part thereof is situated within the boundaries of the political subdivision or of the county within which the political subdivision is located.

(b) Any political subdivision desiring to withdraw from or to join an existing authority shall signify its desire by resolution adopted after a public hearing thereon, notice of which hearing shall be given in the manner and at the time provided in G.S. 162A-3 or 162A-3.1, as appropriate. Such notice shall contain a brief statement of the substance of said resolution and shall state the time and place of the public hearing to be held thereon. In the case of a political subdivision desiring to join the authority, the resolution shall set forth all of the information required under G.S. 162A-3 or 162A-3.1, as appropriate, in connection with the original organization of the authority, including the name and address of the first member of the authority from the joining political subdivision if the authority was organized under G.S. 162A-3.

(c) A certified copy of each such resolution signifying the desire of a political subdivision to withdraw from or to join an existing authority, together with proof of publication of the notice of hearing on each such resolution and, in cases where such resolution provides for the political subdivision joining the authority, certified copies of the resolution of the governing bodies creating the authority consenting to such joining shall be filed with the Secretary of State of North Carolina. If the Secretary of State finds that the resolutions conform to the provisions of this Article and that the notices of hearing were properly

published, he shall file such resolutions and proofs of publication in his office and shall issue a certificate of withdrawal, or a certificate of joinder, as the case may be, and shall record the same in an appropriate book of record in his office. The withdrawal or joining shall become effective upon the issuance of such certificate, and such certificate shall be conclusive evidence thereof. (1955, c. 1195, s. 4; 1969, c. 850; 1971, c. 892, s. 1; c. 1093, s. 6; 1975, c. 224, s. 2.)

Editor's Note. — The 1975 amendment added "or G.S. 162A-3.1, as appropriate" at the end of the first sentence, and near the middle of the third sentence, and added "if the authority was organized under G.S. 162A-3" at the end of the third sentence, of subsection (b).

§ 162A-5. Members of authority; organization; quorum. — Each authority organized under this Article shall consist of the number of members as may be agreed upon by the participating political subdivision, such members to be selected by the respective political subdivision. A proportionate number (as nearly as can be) of members of the authority first appointed shall have terms expiring one year, two years and three years respectively from the date on which the creation of the authority becomes effective. Successor members and members appointed by a political subdivision subsequently joining the authority shall each be appointed for a term of three years, but any person appointed to fill the vacancy shall be appointed to serve only for the unexpired term and any member may be reappointed; provided, however, that a political subdivision subsequently joining an authority created under G.S. 162A-3.1 shall not have the right to appoint any members to such authority. Appointments of successor members shall, in each instance, be made by the governing body of the political subdivision appointing the member whose successor is to be appointed. Any member of the authority may be removed, with or without cause, by the governing body appointing said member.

Each member of the authority before entering upon his duties shall take and subscribe an oath or affirmation to support the Constitution of the United States and of this State and to discharge faithfully the duties of his office, and a record of each such oath shall be filed with the secretary of the authority.

The authority shall select one of its members as chairman and another as vice-chairman and shall also select a secretary and a treasurer who may but need not be members of the authority. The offices of secretary and treasurer may be combined. The terms of office of the chairman, vice-chairman, secretary and treasurer shall be as provided in the bylaws of the authority.

A majority of the members of the authority shall constitute a quorum and the affirmative vote of a majority of all of the members of the authority shall be necessary for any action taken by the authority. No vacancy in the membership of the authority shall impair the right of a quorum to exercise all the rights and perform all of the duties of the authority. The members of the authority may be paid a per diem compensation set by the authority which per diem may not exceed the total amount of two thousand dollars ($2,000) annually, and shall be reimbursed for the amount of actual expenses incurred by them in the performance of their duties. (1955, c. 1195, s. 5; 1969, c. 850; 1971, c. 892, s. 1; 1975, c. 224, ss. 3, 4.)

Editor's Note. — The 1975 amendment substituted "one year, two years and three years" for "two years, four years and six years" in the second sentence, and "three years" for "six years" in the third sentence, of the first paragraph, added the proviso to the third sentence of the first paragraph and rewrote the last sentence of the last paragraph, which formerly provided that the members should serve without compensation but should be reimbursed for actual expenses.

§ 162A-6. Powers of authority generally. — Each authority created hereunder shall be deemed to be a public instrumentality exercising public and essential governmental functions to provide for the public health and welfare, and each such authority is, subject to the provisions of G.S. 162A-7, hereby authorized and empowered:

(1) To adopt bylaws for the regulation of its affairs and the conduct of its business;

(2) To adopt an official seal and alter the same at pleasure;

(3) To maintain an office at such place or places as it may designate;

(4) To sue and be sued in its own name, plead and be impleaded;

(5) To acquire, lease as lessee or lessor, construct, reconstruct, improve, extend, enlarge, equip, repair, maintain and operate any water system or part thereof or any sewer system or part thereof or any combination thereof within or without the participating political subdivisions or any thereof;

(6) To issue revenue bonds of the authority as hereinafter provided to pay the cost of such acquisition, construction, reconstruction, improvement, extension, enlargement or equipment;

(7) To issue revenue refunding bonds of the authority as hereinafter provided;

(8) To combine any water system and any sewer system as a single system for the purpose of operation and financing;

(9) To fix and revise from time to time and to collect rates, fees and other charges for the use of or for the services and facilities furnished by any system operated by the authority;

(10) To acquire in the name of the authority by gift, purchase or the exercise of the right of eminent domain in accordance with the General Statutes of North Carolina which may be applicable to the exercise of such powers by municipalities or counties, any lands or rights in land or water rights in connection therewith, and to acquire such personal property, as it may deem necessary in connection with the acquisition, construction, reconstruction, improvement, extension, enlargement or operation of any water system or sewer system, and to hold and dispose of all real and personal property under its control; provided, that the taking of water from any stream or reservoir by any authority created under the provisions of this Article shall not vest in the taker any rights by prescription; provided, further, that nothing in this section shall affect rights by prescription, if any, now held by any municipality and which may be later transferred to any authority of which such municipality may become a member;

(11) To make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this Article, including a trust agreement or trust agreements securing any revenue bonds issued hereunder, and to employ such consulting and other engineers, superintendents, managers, construction and financial experts, accountants and attorneys, and such employees and agents as may, in the judgment of the authority be deemed necessary, and to fix their compensation; provided, however, that all such expenses shall be payable solely from funds made available under the provisions of this Article;

(12) To enter into contracts with the government of the United States or any agency or instrumentality thereof, or with any political subdivision, private corporation, copartnership, association or individual providing for the acquisition, construction, reconstruction, improvement, extension, enlargement, operation or maintenance of any water system or sewer system or providing for or relating to the treatment and

disposal of sewage or providing for or relating to any water system or the purchase or sale of water;

(13) To receive and accept from any federal, State or other public agency and any private agency, person or other entity, donations, loans, grants, aid or contributions of any money, property, labor or other things of value for any sewer system or water system, and to agree to apply and use the same in accordance with the terms and conditions under which the same are provided;

(14) To enter into contract with any political subdivision by which the authority shall assume the payment of the principal of and interest on indebtedness of such subdivision; and

(15) To do all acts and things necessary or convenient to carry out the powers granted by this Article. (1955, c. 1195, s. 6; 1969, c. 850; 1971, c. 892, s. 1.)

§ 162A-7. Prerequisites to acquisition of water, etc., by eminent domain. — (a) No authority shall institute proceedings in the nature of eminent domain to acquire water, water rights, or lands having water rights attached thereto without first securing from the Board a certificate authorizing such acquisition.

(b) An authority seeking such certificate shall petition the Board therefor in writing, which petition shall include a description of the waters or water rights involved, the plans for impounding or diverting such waters, and the names of riparian owners affected thereby insofar as known to the authority. Upon receipt of such petition, the Board shall hold public hearing thereon after giving at least 30 days' written notice thereof to known affected riparian owners and notice published at least once each week for two successive weeks in a newspaper or newspapers of general circulation in each county in which lower riparian lands lie.

(c) The Board shall issue certificates only to projects which it finds to be consistent with the maximum beneficial use of the water resources in the State and shall give paramount consideration to the statewide effect of the proposed project rather than its purely local or regional effect. In making this determination, the Board shall specifically consider:

(1) The necessity of the proposed project;

(2) Whether the proposed project will promote and increase the storage and conservation of water;

(3) The extent of the probable detriment to be caused by the proposed project to the present beneficial use of water in the affected watershed and resulting damages to present beneficial users;

(4) The extent of the probable detriment to be caused by the proposed project to the potential beneficial use of water on the affected watershed;

(5) The feasibility of alternative sources of supply to the petitioning authority and the comparative cost thereof;

(6) The extent of the probable detriment to be caused by the use of alternative sources of supply to present and potential beneficial use of water on the watershed or watersheds affected by such alternative sources of supply;

(7) All other factors as will, in the Board's opinion, produce the maximum beneficial use of water for all in all areas of the State affected by the proposed project or alternatives thereto.

Upon the considerations above set forth, the Board may grant its certificate in whole or in part or it may refuse the same.

(d) At the public hearing provided for in subsection (b) above the Board shall hear evidence from the authority and any others in support of its petition and from all persons opposed thereto.

(e) At any hearing authorized by this section, the Board shall have power to administer oaths; to take testimony; to issue subpoenas and compel the attendance of witnesses, which shall be served in the same manner as subpoenas issued by the superior courts of the State; and to order the taking of depositions in the same manner as depositions are taken for use in the superior court.

(f) Any final order or decision of the Board in administering the provisions of this section shall be subject to judicial review at the instance of any person or authority aggrieved by such order or decision by complying with the provisions of Article 33, Chapter 143 of the General Statutes of North Carolina. (1955, c. 1195, s. 6½.)

Editor's Note. — Article 33 of Chapter 143, cited in subsection (f), was repealed by Session Laws 1973, c. 1331. See now §§ 150A-43 through 150A-52.

§ 162A-8. Revenue bonds. — A water and sewer authority shall have power from time to time to issue revenue bonds under the Local Government Revenue Bond Act. (1955, c. 1195, s. 7; 1969, c. 850; 1971, c. 780, s. 32; c. 892, s. 1.)

Cross Reference. — For the Local Government Revenue Bond Act, see Chapter 159, Article 5.

§ 162A-9. Rates and charges; contracts for water or services; deposits; delinquent charges. — Each authority shall fix, and may revise from time to time, reasonable rates, fees and other charges for the use of and for the services furnished or to be furnished by any water system or sewer system or parts thereof owned or operated by such authority. Such rates, fees and charges shall not be subject to supervision or regulation by any bureau, board, commission or other agency of the State or of any political subdivision. Such rates, fees and charges shall be fixed and revised so that the revenues of the authority, together with any other available funds, will be sufficient at all times

(1) To pay the cost of maintaining, repairing and operating the systems or parts thereof owned or operated by the authority, including reserves for such purposes, and including provision for the payment of principal of and interest on indebtedness of a political subdivision or of political subdivisions which payment shall have been assumed by the authority, and

(2) To pay the principal of and the interest on all bonds issued by the authority under the provisions of this Article as the same shall become due and payable and to provide reserves therefor.

Notwithstanding any of the foregoing provisions of this section, the authority may enter into contracts relating to the collection, treatment or disposal of sewage or the purchase or sale of water which shall not be subject to revision except in accordance with their terms.

In order to insure the payment of such rates, fees and charges as the same shall become due and payable, the authority may, in addition to any other remedies which it may have

(1) Require reasonable advance deposits to be made with it to be subject to application to the payment of delinquent rates, fees and charges, and

(2) At the expiration of 30 days after any such rates, fees and charges become delinquent, discontinue supplying water or the services and facilities of any water system or sewer system of the authority. (1955, c. 1195, s. 8; 1971, c. 892, s. 1.)

§ 162A-10: Repealed by Session Laws 1971, c. 780, s. 33.

§ 162A-11. Moneys received deemed trust funds. — All moneys received pursuant to the authority of this Article shall be deemed to be trust funds, to be held and applied solely as provided in this Article. The resolution authorizing the issuance of bonds or the trust agreement securing such bonds shall provide that any officer to whom, or bank, trust company or fiscal agent to which, such moneys shall be paid shall act as trustee of such moneys and shall hold and apply the same for the purposes hereof, subject to such regulations as this Article and such resolution or trust agreement may provide. (1955, c. 1195, s. 10; 1971, c. 892, s. 1.)

§ 162A-12. Bondholder's remedies. — Any holder of revenue bonds issued under the provisions of this Article or of any of the coupons appertaining thereto, and the trustee under any trust agreement, except to the extent the rights herein given may be restricted by the resolution authorizing the issuance of such bonds or such trust agreement, may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights under the laws of the State or granted hereunder or under such resolution or trust agreement, and may enforce and compel the performance of all duties required by this Article or by such resolution or trust agreement to be performed by the authority or by any officer thereof, including the fixing, charging and collecting of rates, fees and charges for the use of or for the services and facilities furnished by a water system or sewer system. (1955, c. 1195, s. 11; 1971, c. 892, s. 1.)

§ 162A-13. Refunding bonds. — Each authority is hereby authorized to issue from time to time revenue refunding bonds for the purpose of refunding any revenue bonds of the authority then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds. The authority is further authorized to issue from time to time revenue bonds of the authority for the combined purpose of

(1) Refunding any revenue bonds or revenue refunding bonds of the authority then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds, and

(2) Paying all or any part of the cost of acquiring or constructing any additional water system or sewer system or part thereof, or any improvements, extensions or enlargements of any water system or sewer system.

The issuance of such bonds, the maturities and other details thereof, the rights and remedies of the holders thereof, and the rights, powers, privileges, duties and obligations of the authority with respect to the same, shall be governed by the foregoing provisions of this Article insofar as the same may be applicable. (1955, c. 1195, s. 12; 1971, c. 892, s. 1.)

§ 162A-14. Conveyances and contracts between political subdivisions and authority. — The governing body of any political subdivision is hereby authorized and empowered:

(1) Pursuant to the provisions of G.S. 160A-274 and subject to the approval of the Local Government Commission, except for action taken hereunder by any State agency, to transfer jurisdiction over, and to lease, lend, grant or convey to an authority upon the request of the authority, upon such terms and conditions as the governing body of such political subdivision may agree with the authority as reasonable and fair, the whole or any part of any existing water system or sewer system or such real or personal property as may be necessary or desirable in connection with the acquisition, construction, reconstruction, improvement, extension, enlargement, equipment, repair, maintenance or operation of any water system or sewer system

or part thereof by the authority, including public roads and other property already devoted to public use;

(2) To make and enter into contracts or agreements with an authority, upon such terms and conditions and for such periods as are agreed to by the governing body of such political subdivision and the authority;
   a. For the collection, treatment or disposal of sewage by the authority or for the purchase of a supply of water from the authority;
   b. For the collecting by such political subdivision or by the authority of fees, rates or charges for water furnished to such political subdivision or to its inhabitants and for the services and facilities rendered to such political subdivision or to its inhabitants by any water system or sewer system of the authority, and for the enforcement of delinquent charges for such water, services and facilities; and
   c. For shutting off the supply of water furnished by any water system owned or operated by such political subdivision in the event that the owner, tenant or occupant of any premises utilizing such water shall fail to pay any rates, fees or charges for the use of or for the services furnished by any sewer system of the authority, within the time or times specified in such contract;

(3) To fix, and revise from time to time, rates, fees and other charges for water and for the services furnished or to be furnished by any water system or sewer system of the authority, or parts thereof, under any contract between the authority and such political subdivision, and to pledge all or any part of the proceeds of such rates, fees and charges to the payment of any obligation of such political subdivision under such contract; and

(4) In its discretion, to submit to the qualified electors under the election laws applicable to such political subdivision any contract or agreement which such governing body is authorized to make and enter into with the authority under the provisions of this Article. (1955, c. 1195, s. 13; 1971, c. 892, s. 1; 1975, c. 224, ss. 5, 6.)

Editor's Note. — The 1975 amendment added "Pursuant to the provisions of G.S. 160A-274 and" at the beginning, and inserted "except for action taken hereunder by any State agency" near the beginning, of subdivision (1), and deleted, at the end of subdivision (4), a former proviso requiring a contract or agreement under subdivision (1) to be submitted to and approved by the qualified electors of the political subdivision.

§ 162A-15. Services to authority by private water companies; records of water taken by authority; reports to Board of Water Commissioners. — Each private water company which is supplying water to the owners, lessees or tenants of real property which is or will be served by any sewer system of an authority is authorized to act as the billing and collecting agent of the authority for any rates, fees or charges imposed by the authority for the services rendered by such sewer system. Any such company shall, if requested by an authority furnish to the authority copies of its regular periodic meter reading and water consumption records and other pertinent data as may be required for the authority to act as its own billing and collecting agent. The authority shall pay to such water company the reasonable additional cost of clerical services and other expenses incurred by the water company in rendering such services to the authority. The authority shall by means of suitable measuring and recording devices and facilities record the quantity of water taken daily by it from any stream or reservoir and make monthly reports of such daily recordings to the Board of Water Commissioners of the State of North Carolina. (1955, c. 1195, s. 14.)

§ 162A-16. Contributions or advances to authority by political subdivisions. — Any political subdivision is hereby authorized to make contributions or advances to an authority, from any moneys which may be available for such purpose, to provide for the preliminary expenses of such authority in carrying out the provisions of this Article. Any such advances may be repaid to such political subdivisions from the proceeds of bonds issued by such authority under this Article. (1955, c. 1195, s. 15; 1971, c. 892, s. 1.)

§ 162A-17. Article regarded as supplemental. — This Article shall be deemed to provide an additional and alternative method for the doing of the things authorized hereby and shall be regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded as in derogation of or as repealing any powers now existing under any other law, either general, special or local; provided, however, that the issuance of revenue bonds or revenue refunding bonds under the provisions of this Article need not comply with the requirements of any other law applicable to the issuance of bonds. (1955, c. 1195, s. 16; 1971, c. 892, s. 1.)

§ 162A-18. Actions against authority by riparian owners. — Any riparian owner alleging an injury as a result of any act of an authority created under this Article may maintain an action for relief against the acts of the authority either in the county where the lands of such riparian owner lie or in the county in which the principal office of the authority is maintained. (1955, c. 1195, s. 16½; 1971, c. 892, s. 1.)

§ 162A-19. Inconsistent laws declared inapplicable. — All general, special or local laws, or parts thereof, inconsistent herewith are hereby declared to be inapplicable to the provisions of this Article. (1955, c. 1195, s. 17; 1971, c. 892, s. 1.)

ARTICLE 2.

Regional Water Supply Planning.

§ 162A-20. Title. — This Article shall be known and may be cited as the "Regional Water Supply Planning Act of 1971." (1971, c. 892, s. 1.)

§ 162A-21. Preamble. — The Legislative Research Commission was directed by Senate Resolution 875 of the 1969 General Assembly to study and report to the 1971 General Assembly on the need for legislation "concerning local and regional water supplies (including sources of water, and organization and administration of water systems)." Pursuant to said Resolution a report was prepared and adopted by the Legislative Research Commission in 1970 concerning local and regional water supplies. In this report the Legislative Research Commission made the following findings concerning the need for planning and developing regional water supply systems in order to provide adequate supplies of high quality water to the citizens of North Carolina, of which the General Assembly hereby takes cognizance:

(1) The existing pattern of public water supply development in North Carolina is dominated by many small systems serving few customers. Of the 1,782 public water systems of record on July 1, 1970, according to Department of Human Resources statistics, over eighty percent (80%) were serving less than 1,000 people each. These small systems are often underfinanced, inadequately designed and maintained, difficult to coordinate with nearby regional systems, and generally inferior to systems serving larger communities as regards adequacy of source, facilities and quality. The situation which has developed reflects a need for better planning at both State and local levels.

(2) The State's population balance is steadily changing. Sparsely populated counties are losing residents to the more densely populated counties, while the State's total population is increasing. As this trend continues, small towns and communities will find it increasingly difficult to build and maintain public water supply systems. Also, as urban centers expand, and embrace relatively large geographical areas, economic factors will dictate that regional water systems be developed to serve these centers and to meet the demands of commercial and industrial development. It is estimated that countywide or regional water systems are needed now by 50 counties.

(3) If the future public water supply needs of the State are to be met, a change in the existing pattern of public water supply development and management must be undertaken. Regional planning and development is an immediate need. The creation of countywide or regional water supplies, with adequate interconnections, is necessary in order to provide an adequate supply of high quality water to the State's citizens, to make supplies less vulnerable to recurring drought conditions, and to have systems large enough to justify the costs of adequate facilities and of proper operation and maintenance.

(4) The State should provide a framework for comprehensive planning of regional water supply systems, and for the orderly coordination of local actions, so as to make the most efficient use of available water resources and economies of scale for construction, operation and maintenance. The State should also provide financial assistance to local governments and regional authorities in order to assist with the cost of developing comprehensive regional plans, and countywide plans compatible with a regional system. (1971, c. 892, s. 1; 1973, c. 476, s. 128.)

§ 162A-22. Definition of regional water supply system. — For the purposes of this Article "a regional water supply system" is defined as a public water supply system of a municipality, county, sanitary district, or other political subdivision of the State, or combination thereof, which provides, is intended to provide, or is capable of providing an adequate and safe supply of water to a substantial portion of the population within a county, or to a substantial water service area in a region composed of all or parts of two or more counties, or to a metropolitan area in two or more counties. (1971, c. 892, s. 1.)

§ 162A-23. State role and functions relating to local and regional water supply planning. — (a) It should be the role of State government to provide a framework for comprehensive planning of regional water supply systems, and for the orderly coordination of local actions relating to water supply, so as to make possible the most efficient use of water resources and to help realize economies of scale in water supply systems. To these ends, it shall be the function of State government to:

(1) Identify major sources of raw water supply for regional systems, and raw water interconnections as may be desirable and feasible.

(2) Identify areas suitable for the development of regional systems.

(3) Establish priorities for regionalization.

(4) Develop plans for connecting proposed regional systems to major sources of supply, and for such finished water interconnections as may be desirable and feasible.

(5) Review and approve plans for proposed regional systems, and for proposed municipal and countywide systems which are compatible with a regional plan.

(6) Administer a State program of financial assistance to local governments and regional planning agencies for the development of comprehensive

plans for regional water systems, or county systems compatible with regional plans.

(7) Provide technical assistance to local and regional planning agencies, and to consulting engineering firms.

(b) Responsibility for carrying out the role of State government in regional water supply planning shall be assigned to the Department of Human Resources and the Department of Water and Air Resources [Department of Natural and Economic Resources]. Promotion and coordination of regional water supply systems shall be a shared function of the Department of Water and Air Resources [Department of Natural and Economic Resources] and the Department of Human Resources, with primary responsibility with regard to sources of raw water supply and transbasin or transwatershed diversions of water being allocated to the Department of Water and Air Resources [Department of Natural and Economic Resources], and with primary responsibility with regard to other aspects of regional water supply systems being allocated to the Department of Human Resources. (1971, c. 892, s. 1; 1973, c. 476, s. 128.)

Editor's Note. — Session Laws 1973, c. 1262, which reorganized the Department of Natural and Economic Resources, did not provide that "Department of Natural and Economic Resources" should be substituted for "Department of Water and Air Resources" throughout the General Statutes, but, because the functions of the former Department of Water and Air Resources have devolved upon the Department of Natural and Economic Resources, the editors have inserted "Department of Natural and Economic Resources" in brackets in subsection (b) of this section as set out above.

§ 162A-24. Regional Water Supply Planning Revolving Fund established; conditions and procedures. — (a) There is established under the control and direction of the Department of Administration a Regional Water Supply Planning Revolving Fund, to consist of any moneys that may be appropriated for use through the fund by the General Assembly or that may be made available to it from any other source. The Department may make advances from the fund to any county, municipality, sanitary district, or to counties and municipalities acting collectively or jointly as a regional water authority, for the purpose of meeting the cost of advance planning and engineering work necessary or desirable for the development of a comprehensive plan for a regional water supply system as defined in this Article. Such advances shall be subject to repayment by the recipient to the Department from the proceeds of bonds or other obligations for the regional water supply system, or from other funds available to the recipient including grants, except when, in the judgment of the Department of Human Resources and of the Department of Water and Air Resources [Department of Natural and Economic Resources], a proposed plan for development and construction of a countywide or other regional water system is not feasible because of design and construction factors or because available sources of raw water supply are inadequate or because construction of a proposed system is not economically feasible, (but not if the applicant decides not to proceed with construction that has been planned and which the Department of Human Resources and the Department of Water and Air Resources [Department of Natural and Economic Resources] have declared to be feasible).

(b) The Department of Administration shall not make any advance pursuant to this section without first referring the application and proposal to the Department of Human Resources, the State agency responsible for public water supplies, for determination as to whether the conditions set forth below have been met. In making such determinations, the Department of Human Resources shall obtain and be guided by the recommendations of the Department of Water

and Air Resources [Department of Natural and Economic Resources] on matters for which that Department has responsibility by law:

(1) The proposed area is suitable for development of a regional water supply system from the standpoint of present and projected populations, industrial growth potential, and present and future sources of raw water.

(2) The applicant proposes to undertake long-range comprehensive planning to meet present and projected needs for high quality water service through the construction of a regional water supply system as defined in this Article. The determination by the Department of Human Resources that the proposed system would be a "regional system," as defined by this Article, shall be conclusive.

(3) The applicant proposes to coordinate planning of the regional water supply with land-use planning in the area, in order that both planning efforts will be compatible.

(4) The applicant proposes to employ an engineer licensed to practice in the State of North Carolina to prepare a comprehensive regional water supply plan, which plan will provide detailed information on source or sources of water to meet projected domestic and industrial water demands; proposed system, including raw water intake(s), treatment plant, storage facilities, distribution system, and other waterworks appurtenances; proposed interconnections with existing systems, and provisions for interconnections with other county, municipal and regional systems; phased development of systems to achieve ultimate objectives if economic feasibility is in question; projected water service areas; proposed equipment; estimates of cost and projected revenues; and methods of financing.

(c) In addition to the above conditions, the Department of Administration shall not make any advance to any applicant until the following conditions have also been met:

(1) The Department has determined that there is a reasonable prospect of federal (or State) aid in the financing of the projected work if the undertaking is one that will be dependent upon federal (or State) aid.

(2) The Department has received firm assurances from the applicant that the works or project, if feasible, will be undertaken.

(d) All advances made pursuant to this section shall be repaid in full, within one year of the start of construction on the projected system, or within six months after the issuance of bonds for the financing of construction of the system, or within six years from the date of the making of the advance, whichever comes first. The Department may, in its discretion, require the repayment of any advance in installments.

(e) The Department of Administration may adopt such rules and regulations with respect to the making of applications or the receipt of advances as are consistent with the terms and purpose of this section.

(f) The provisions of Chapter 159 of the General Statutes of North Carolina (Local Government Acts) shall not apply to advances made from the Regional Water Supply Planning Revolving Fund as authorized in this Article. (1971, c. 892, s. 1; 1973, c. 476, s. 128.)

Editor's Note. — Session Laws 1973, c. 1262, which reorganized the Department of Natural and Economic Resources, does not provide for substituting "Department of Natural and Economic Resources" for "Department of Water and Air Resources" throughout the General Statutes, but, because the functions of the former Department of Water and Air Resources have devolved upon the Department of Natural and Economic Resources, the editors have inserted "Department of Natural and Economic Resources" in brackets in subsections (a) and (b) of this section as set out above.

§ 162A-25. Construction of Article. — This Article shall be construed as providing supplemental authority in addition to the powers of the Department of Human Resources under General Statutes Chapter 130, the powers of the North Carolina Utilities Commission under General Statutes Chapter 62, and the powers of the Department of Water and Air Resources [Department of Natural and Economic Resources] under Articles 21 and 38 of General Statutes Chapter 143, and any other provisions of law concerning local and regional water supplies. (1971, c. 892, s. 1; 1973, c. 476, s. 128.)

Editor's Note. — Session Laws 1973, c. 1262, which reorganized the Department of Natural and Economic Resources, did not provide for substituting "Department of Natural and Economic Resources" for "Department of Water and Air Resources" throughout the General Statutes, but, because the functions of the former Department of Water and Air Resources have devolved upon the Department of Natural and Economic Resources, the editors have inserted "Department of Natural and Economic Resources" in brackets in this section as set out above.

ARTICLE 3.

Regional Sewage Disposal Planning.

§ 162A-26. Title. — This Article shall be known and may be cited as the "Regional Sewage Disposal Planning Act of 1971." (1971, c. 870, s. 1.)

§ 162A-27. Definitions of "regional sewage disposal system" and "comprehensive planning". — For the purposes of this Article a "regional sewage disposal system" is defined as a public sewage disposal system of a municipality, county, sanitary district, or other political subdivision of the State, or combination thereof, which provides, is intended to provide, or is capable of providing adequate collection, treatment, purification and disposal of sewage to a substantial portion of the population within a county, or a region composed of all or parts of two or more counties, or to a metropolitan area in two or more counties. "Comprehensive planning" is defined as that planning which is a prerequisite for qualifying for receipt of federal and/or State grant funds for preparation of plans and specifications and for actual construction of regional sewage disposal systems. (1971, c. 870, s. 1; 1975, c. 251, s. 1.)

Editor's Note. — The 1975 amendment added the second sentence.

§ 162A-28. Role and function of Environmental Management Commission. — The North Carolina Environmental Management Commission, in order to provide a framework for comprehensive planning of regional sewage disposal systems and for orderly coordination of local actions relating to sewage disposal, to make possible the most efficient disposal of sewage and to help realize economies of scale in sewage disposal systems, shall perform the following functions:

(1) Identify major sources of sewage for regional systems and sewer system interconnections as may be desirable and feasible.

(2) Identify geographical areas of the State suitable for the development of regional sewage disposal systems that meet federal and State grant requirements.

(3) Establish priorities for regionalization.

(4) Develop plans for connecting proposed regional sewage disposal systems to major sources of sewage and for such sewer system interconnections as may be desirable and feasible.

(5) Review and approve plans for proposed regional sewage disposal systems and for proposed municipal and countywide systems which are compatible with a regional plan.

(6) Administer a State program of financial assistance to local governments and regional planning agencies for the development of comprehensive plans for regional sewage disposal systems or county systems compatible with regional plans.

(7) Provide technical assistance to local and regional planning agencies and to consulting engineering firms. (1971, c. 870, s. 1; 1973, c. 1262, s. 23; 1975, c. 251, s. 2.)

Editor's Note. — The 1975 amendment added "that meet federal and State grant requirements" at the end of subdivision (2).

§ 162A-29. Regional Sewage Disposal Planning Revolving Fund established; conditions and procedures. — (a) There is established under the control and direction of the Department of Administration a Regional Sewage Disposal Planning Revolving Fund, to consist of any moneys that may be appropriated for use through the fund by the General Assembly or that may be made available to it from any other source. The Department may make advances from the fund to any county, municipality, or sanitary district, or to counties and municipalities acting collectively or jointly as a regional sewer authority, for the purpose of meeting the cost of advance planning and engineering work necessary or desirable for the development of a comprehensive plan for a regional sewage disposal system as defined in this Article. Such advances shall be subject to repayment by the recipient to the Department from the proceeds of bonds or other obligations for the regional sewage disposal system, or from other funds available to the recipient including grants, except when, in the judgment of the Department of Water and Air Resources [Department of Natural and Economic Resources], a proposed plan for development and construction of a countywide or other regional sewage disposal system is not feasible because of design and construction factors, or because of the effect that the sewage disposal system discharge will have upon water quality standards, or because construction of a proposed system is not economically feasible, (but not if the applicant decides not to proceed with construction that has been planned and which the Department of Water and Air Resources [Department of Natural and Economic Resources] has declared to be feasible).

(b) The Department of Administration shall not make any advance pursuant to this section without first referring the application and proposal to the State Department of Water and Air Resources [Department of Natural and Economic Resources], the State agency responsible for water pollution control, for determination as to whether the conditions set forth below have been met:

(1) The proposed area is suitable for development of a regional sewage disposal system from the standpoint of present and projected populations, industrial growth potential, and present and future sources of sewage.

(2) The applicant proposes to undertake long-range comprehensive planning to meet present and projected needs for high quality sewage disposal through the construction of a regional sewage disposal system as defined in this Article. The determination by the Department of Water and Air Resources [Department of Natural and Economic Resources], that the proposed system would be a "regional system," as defined by this Article, shall be conclusive.

(3) The applicant proposes to coordinate planning of the regional sewage disposal system with land-use planning in the area, in order that both planning efforts will be compatible.

(4) The applicant proposes to employ an engineer licensed to practice in the State of North Carolina to prepare a comprehensive regional sewage disposal plan, which plan will provide detailed information on the source or sources of sewage; the proposed system, including all facilities and appurtenances thereto for the collection, transmission, treatment, purification and disposal of sewage; any proposed interconnection with existing systems, and provisions for interconnections with other county, municipal and regional systems; the phased development of systems to achieve ultimate objectives if economic feasibility is in question; projected sewage disposal service areas; proposed equipment; estimates of cost and projected revenues; and methods of financing.

(c) In addition to the above conditions, the Department of Administration shall not make any advance to any applicant until the following conditions have also been met:

(1) The Department has determined that there is a reasonable prospect of federal (or State) aid in the financing of the projected work if the undertaking is one that will be dependent upon federal (or State) aid.

(2) The Department has received firm assurances from the applicant that the work or project, if feasible, will be undertaken.

(3) The applicant has furnished evidence that it does not have funds available to finance the plan.

(d) All advances made pursuant to this section shall be repaid in full, upon receipt of any sewage disposal facilities planning grant funds from federal or State sources, or within one year of the start of construction on the projected system, or within six months after the issuance of bonds for the financing of construction of the system, or within six years from the date of the making of the advance, whichever comes first. The Department may, in its discretion, require the repayment of any advance in installments.

(e) The Department of Administration may adopt such rules and regulations with respect to the making of applications or the receipt of advances as are consistent with the terms and purpose of this section.

(f) The provisions of Chapter 159 of the General Statutes of North Carolina (Local Government Acts) shall not apply to advances made from the Regional Sewage Disposal Planning Revolving Fund as authorized in this Article. (1971, c. 870, s. 1; 1975, c. 251, ss. 3, 4.)

Editor's Note. — The 1975 amendment added subdivision (3) of subsection (c) and inserted "upon receipt of any sewage disposal facilities planning grant funds from federal or State sources, or" near the beginning of the first sentence of subsection (d).

Session Laws 1973, c. 1262, which reorganized the Department of Natural and Economic Resources, did not provide for substituting "Department of Natural and Economic Resources" for "Department of Water and Air Resources" throughout the General Statutes, but, because the functions of the former Department of Water and Air Resources have devolved upon the Department of Natural and Economic Resources, the editors have inserted "Department of Natural and Economic Resources" in brackets in subsections (a) and (b) of this section as set out above.

§ 162A-30. Construction of Article. — This Article shall be construed as providing supplemental authority in addition to the powers of the North Carolina Utilities Commission under Chapter 62 of the North Carolina General Statutes, the North Carolina Environmental Management Commission under Articles 21 and 38 of Chapter 143 of the North Carolina General Statutes, and the North Carolina Department of Human Resources under General Statutes Chapter 130,

and any other provisions of law concerning local and regional sewage disposal. (1971, c. 870, s. 1; 1973, c. 476, s. 128; c. 1262, s. 23.)

ARTICLE 4.

Metropolitan Water Districts.

§ 162A-31. Short title. — This Article shall be known and may be cited as the Metropolitan Water Districts Act. (1971, c. 815, s. 1.)

§ 162A-32. Definitions; description of boundaries. — (a) As used in this Article the following words and terms shall have the following meanings, unless the context shall indicate another or different meaning or intent:

(1) "Board of commissioners" or "commissioners" shall mean the duly elected board of commissioners of the county in which a metropolitan water district shall be created under the provisions of this Article.

(2) "City council" or "council" shall mean the duly elected city council of any municipality located within the State.

(3) "Cost" as applied to a water system or sewerage system shall mean the cost of acquiring, constructing, reconstructing, improving, extending, enlarging, repairing and equipping any such system, and shall include the cost of all labor and materials, machinery and equipment, lands, property, rights, easements and franchises, plans and specifications, surveys and estimates of cost and of revenues, and planning, engineering, financial advice, and legal services, financing charges, interest prior to and during construction and, if deemed advisable by a district board, for one year after the estimated date of completion of construction, and all other expenses necessary or incident to determining the feasibility or practicability of any such undertaking, administrative expense and such other expenses, including reasonable provision for working capital and a reserve for debt service, as may be necessary or incident to the financing herein authorized, and may also include any obligation or expense incurred by a district or by any political subdivision prior to the issuance of bonds under the provisions of this Article in connection with any such undertaking or any of the foregoing items of cost.

(4) "District" shall mean a metropolitan water district created under the provisions of this Article.

(5) "District board" shall mean the district board of the metropolitan water district created under the provisions of this Article.

(6) "General obligation bonds" shall mean bonds of a metropolitan water district for the payment of which and the interest thereon all the taxable property within said district is subject to the levy of an ad valorem tax without limitation of rate or amount.

(7) "Governing body" shall mean the board, board of trustees, commission, board of commissioners, council or other body, by whatever name it may be known, of a political subdivision including, but without limitation, other water or sewer districts or the trustees thereof within the State of North Carolina in which the general legislative powers thereof are vested.

(8) "Person" shall mean any and all persons including individuals, firms, partnerships, associations, public or private institutions, municipalities or political subdivisions, governmental agencies or private or public corporations organized and existing under the laws of the State or any other state or county.

(9) "Political subdivision" shall mean any county, city, town, incorporated village, sanitary district, water district, sewer district, special purpose

district or other political subdivision or public corporation of this State now or hereafter created or established.

(10) "Revenue bonds" shall mean bonds the principal of and the interest on which are payable solely from revenues of a water system or systems or a sewerage system or systems or both owned or operated by a metropolitan water district created under the provisions of this Article.

(11) "Revenues" shall mean all moneys received by a metropolitan water district from, in connection with, or as a result of its ownership or control or operation of a water system or systems or a sewerage system or systems, or both, including, without limitation and as deemed advisable by the district board, moneys received from the United States of America or any agency thereof, pursuant to an agreement with the district board pertaining to the water system or the sewerage system or both.

(12) "Sewerage system" shall embrace both sewers and sewage disposal systems and any part or parts thereof, either within or without the limits of a district, all property, rights, easements and franchises relating thereto, and any and all buildings and other structures deemed necessary or useful by a district board in connection with the operation or maintenance thereof.

(13) "Sewers" shall mean any mains, pipes and laterals, including pumping stations for the reception of sewage and carrying such sewage to an outfall or some part of a sewage disposal system, and all property, rights, easements, and franchises related thereto and deemed necessary or convenient by a district board for the operation and maintenance thereof.

(14) "Water distribution system" shall include aqueducts, mains, laterals, pumping stations, distributing reservoirs, standpipes, tanks, hydrants, services, meters, valves, and all necessary appurtenances, and all property, rights, easements, and franchises related thereto and deemed necessary or convenient by a district board for the operation and maintenance thereof.

(15) "Water system" shall mean and include all plants, systems, facilities or properties used or useful or having the present capacity for future use in connection with the supply or distribution of water, and any integral part thereof, including but not limited to water supply systems, water distribution systems, sources of water supply including lakes, reservoirs and wells, intakes, mains, laterals, aqueducts, pumping stations, standpipes, filtration plants, purification plants, hydrants, meters, valves, and all necessary appurtenances and equipment and all properties, rights, easements and franchises relating thereto and deemed necessary or convenient by a district board for the operation or maintenance thereof.

(16) "Water treatment or purification plant" shall mean any plant, system, facility, or property, used or useful or having the present capacity for future use in connection with the treatment or purification of water, or any integral part thereof; and all necessary appurtenances or equipment, and all property, rights, easements and franchises relating thereto and deemed necessary or convenient by a district board for the operation thereof.

(b) Whenever this Article requires that the boundaries of an area be described, it shall be sufficient if the boundaries are described in a manner which conveys an understanding of the location of the land and may be

(1) By reference to a map,

(2) By metes and bounds,

(3) By general description referring to natural boundaries, boundaries of political subdivisions, existing water or sewer districts, or portions thereof, or boundaries of particular tracts or parcels of land, or

(4) Any combination of the foregoing. (1971, c. 815, s. 2.)

§ 162A-33. Procedure for creation; resolutions and petitions for creation; notice to and action by Commission for Health Services; notice and public hearing; resolutions creating districts; actions to set aside proceedings. — Any two or more political subdivisions in a county, or any political subdivision or subdivisions, including any existing water or sewer district, and any unincorporated area or areas located within the same county, which political subdivisions or areas need not be contiguous, may petition the board of commissioners for the creation of a metropolitan water district under the provisions of this Article by filing with the board of commissioners:

(1) A resolution of the governing body of each such political subdivision stating the necessity for the creation of a metropolitan water district under the provisions of this Article in order to preserve and promote the public health and welfare within the area of the proposed district, and requesting the creation of a metropolitan water district having the boundaries set forth in said resolution, and

(2) If any unincorporated area is to be included in such district, a petition, signed by not less than fifteen per centum (15%) of the voters resident within such area, defining the boundaries of such area, stating the necessity for the creation of a metropolitan water district under the provisions of this Article in order to preserve and promote the public health and welfare within the proposed district, and requesting the creation of a metropolitan water district having the boundaries set forth in such petition for such district.

If any water district, sewer district or special purpose district shall encompass wholly or in part within its boundaries a city or town, no such water district, sewer district or special purpose district may petition for inclusion within a metropolitan water district unless the governing body of such city or town shall approve such petition or shall also petition for its inclusion within such metropolitan water district.

Upon the receipt of such resolutions and petitions requesting the creation of a metropolitan water district, the board of commissioners, through its chairman shall notify the Commission for Health Services of the receipt of such resolutions and petitions, and shall request that a representative of the Commission for Health Services hold a joint public hearing with the board of commissioners concerning the creation of the proposed metropolitan water district. The Director of the Commission for Health Services and the chairman of the board of commissioners shall name a time and place within the proposed district at which the public hearing shall be held. The chairman of the board of commissioners shall give prior notice of such hearing by posting a notice at the courthouse door of the county and also by publication in a newspaper circulating in the proposed district at least once a week for four successive weeks, the first publication to be at least 30 days prior to such hearing. In the event all matters pertaining to the creation of such metropolitan water district cannot be concluded at such hearing, such hearing may be continued to a time and place within the proposed district determined by the board of commissioners with the concurrence of the representative of the Commission for Health Services.

If, after such hearing, the Commission for Health Services and the board of commissioners shall deem it advisable to comply with the request of such resolutions and petitions, and determine that the preservation and promotion of the public health and welfare in the area or areas described in such resolutions and petitions require that a metropolitan water district should be created and established, the Commission for Health Services shall adopt a resolution to that

effect, defining the boundaries of such district and declaring the territory within such boundaries to be a metropolitan water district under the name and style of ". . . . . Metropolitan Water District of . . . . . County"; provided that the Commission for Health Services may make minor deviations in the boundaries from those prescribed in the resolutions and petitions upon the Commission for Health Services determining that such deviations are advisable in the interest of the public health, provided no such district shall include any political subdivision which has not petitioned for inclusion as provided for in this Article.

The Commission for Health Services shall cause copies of the resolution creating the metropolitan water district to be sent to the board of commissioners and to the governing body of each political subdivision included in the district. The board of commissioners shall cause a copy of such resolution of the Commission for Health Services to be published in a newspaper circulating within the district once in each of two successive weeks, and a notice substantially in the following form shall be published with such resolution:

"The foregoing resolution was passed by the Commission for Health Services on the . . . . . day of . . . . . ., 19. ., and was first published on the . . . . day of . . . . . ., 19. . . .

Any action or proceeding questioning the validity of said resolution or the creation of the metropolitan water district therein described must be commenced within 30 days after the first publication of said resolution.

. . . . . .

Clerk, Board of Commissioners for

. . . . . County."

Any action or proceeding in any court to set aside a resolution creating a metropolitan water district or to obtain any other relief upon the ground that such resolution or any proceeding or action taken with respect to the creation of such district is invalid, must be commenced within 30 days after the first publication of the resolution and said notice. After the expiration of such period of limitation, no right of action or defense founded upon the invalidity of the resolution or the creation of the metropolitan water district therein described shall be asserted, nor shall the validity of the resolution or of the creation of such metropolitan water district be open to question in any court upon any ground whatever, except in an action or proceeding commenced within such period.

Notwithstanding the provisions of G.S. 160-2(6), after the creation of a water district pursuant to the provisions of this Article a municipality or other political subdivision which owns or operates an existing water system or sewer system may lease, contract, assign or convey such system or systems to the district under and subject to such terms and conditions and for such considerations as it may deem advisable for the general welfare and benefit of its citizens. (1971, c. 815, s. 3; 1973, c. 476, s. 128.)

§ 162A-34. District board; composition, appointment, term, oaths and removal of members; organization; meetings; quorum; compensation and expenses of members. — (a) Immediately after the creation of the district, the board of commissioners shall appoint three members of the district board and the governing body of each political subdivision included in the district shall appoint one member, except that if any city or town has a population, according to the latest decennial census, in excess of the total population of the remaining cities and towns within the district, or where there are no other cities or towns involved, if the census population is in excess of the total population of the remainder of the district, the governing body shall appoint three members. No appointment of a member of the district board shall be made by or in behalf of any political subdivision of which the board of commissioners shall be the

governing body, the three appointees designated by the board of commissioners shall be selected from within the district and shall be deemed to represent all such political subdivisions. The members of the district board first appointed shall have terms expiring one year, two years and three years, respectively, from the date of adoption of the resolution of the Commission for Health Services creating the district, as the board of commissioners shall determine, provided that of the three members appointed by any governing body, not more than one such member shall be appointed for a three-year term. Successive members shall each be appointed to serve only for the unexpired term and any member of the district board may be reappointed. Appointments of successor members shall, in each instance, be made by the governing body making the initial appointment or appointments. All members shall serve until their successors have been duly appointed and qualified, and any member of the district board may be removed for cause by the governing body appointing him.

Each member of the district board before entering upon his duties shall take and subscribe an oath or affirmation to support the Constitution and laws of the United States and of this State and to discharge faithfully the duties of his office, and a record of each such oath shall be filed with the clerk of the board of commissioners.

The district board shall elect one of its members as chairman and another as vice-chairman and shall appoint a secretary and a treasurer who may but need not be members of the district board. The offices of secretary and treasurer may be combined. The terms of office of the chairman, vice-chairman, secretary and treasurer shall be as provided in the bylaws of the district board.

The district board shall meet regularly at such places and dates as determined by the board. Special meetings may be called by the chairman on his own initiative and shall be called by him upon request of two or more members of the board. All members shall be notified in writing at least 24 hours in advance of such meeting. A majority of the members of the district board shall constitute a quorum and the affirmative vote of a majority of the members of the district board present at any meeting thereof shall be necessary for any action taken by the district board. No vacancy in the membership of the district board shall impair the right of a quorum to exercise all the rights and perform all the duties of the district board. Each member including the chairman shall be entitled to vote on any question. The members of the district board may receive compensation in an amount to be determined by the board, but not to exceed ten dollars ($10.00) for each meeting attended, and may be reimbursed the amount of actual expenses incurred by them in the performance of their duties.

(b) Any metropolitan water district wholly within the corporate limits of two or more municipalities shall be governed by a district board consisting of members appointed by the governing body of each political subdivision (municipal corporation) included wholly or partially in the district and an additional at-large member appointed by the other members of the district board as provided in this subsection. The governing body of each constituent municipality shall initially appoint two members from its qualified electors, one for a term expiring the first day of July after the first succeeding regular election in which municipal officers shall be elected by the municipality from which he is appointed, and the other for a term expiring the first day of July after the second succeeding regular election of municipal officers in the municipality. Thereafter, subsequent to each ensuing regular election of municipal officers the governing body of each municipal corporation composing any part of the metropolitan water district shall appoint one member to the district board for a term of four years beginning on the first day of July. The one additional at-large member of the district board shall be a qualified elector of a constituent municipality of the district and appointed initially and quadrennially thereafter by majority vote of the other district board

membership for a term of four years which shall expire on the first day of August in every fourth calendar year thereafter.

Any vacancy in district board membership shall be filled by appointment of the original appointing authority for the remainder of the unexpired term.

The provisions of subsection (a) in particular and of this Article generally not inconsistent with this subsection shall also apply.

(c) In those cases where a district is created which includes a municipality which owns an existing water and sewer system and where the county commissioners are acting as or have been appointed as trustees of a separate water or sewer system, or both which will be included within the district along with an existing municipal system, the district board shall be comprised of seven members designated as follows: three county commissioners and three members of the city council of the municipality, said members to be selected by majority vote of the governing body on which they serve. These six members of the district board shall appoint a seventh member who shall also serve as chairman of the district board and whose term shall automatically expire upon the seating of either a new board of commissioners, or of a new council of the municipality.

The chairman of the district board will be eligible, however, for reappointment, upon the expiration of his or her current term, by the next district board selected upon and after the seating of either a new board of commissioners or new council of the municipality. The chairman of the district board shall take and subscribe an oath or affirmation to support the Constitution and laws of the United States and of this State, and to discharge faithfully the duties of his office, and a record of each such oath shall be filed with the clerk of the board of commissioners and the clerk of the municipality. The other six members will serve upon said board corollary to the responsibilities and duties of their respective elective offices and such service upon the district board will not constitute the holding of a public office. No compensation shall be paid to any member of the district board except for the chairman, and his compensation shall be fixed by the remaining six members. Except as provided above, no additional oath or affirmation shall be required of the members of the district board. No county commissioner or member of the council of the municipality shall continue to serve upon the district board subsequent to the termination of his or her current elective term, except upon reelection to said office.

The district board shall appoint a secretary and a treasurer who will not be members of the district board. The terms of office of the secretary and treasurer shall be as provided in the bylaws of the district board and the compensation of said officers shall be fixed by the district board. The treasurer shall furnish bond in some security company authorized to do business in North Carolina, the amount to be fixed by the district board in a sum not less than five thousand dollars ($5,000), which bond shall be approved by the district board and shall be continued upon the faithful performance of his duties. Every official, employee or agent of the district who handles or has custody of more than one hundred dollars ($100.00) of such district funds at any time, shall before assuming his duties as such be required to furnish bond in some security company authorized to do business in North Carolina, the amount to be fixed by the district board, which bond shall be approved by the district board and shall be continued upon the faithful performance of his duties in an amount sufficient to protect the district. All bonds required by this section shall be filed with the clerk of the municipality.

The district board shall meet regularly and no less than monthly, at such places and dates as determined by the board. Special meetings may be called by the chairman on his own initiative and shall be called by him upon request of two or more members of the board. All members shall be notified in writing at least 24 hours in advance of any meeting. A majority of the members of the district board shall constitute a quorum and the affirmative vote of a majority

of the district board present at any meeting thereof shall be necessary for any action taken by the district board. No vacancy in the membership of the district board shall impair the right of a quorum to exercise all the rights and perform all the duties of the district board. Each member, including the chairman, shall be entitled to vote upon any question.

Any vacancy in district board membership, except that of the chairman, shall be filled by appointment of the original appointing authority for the remainder of the unexpired term. Each governing body may, by majority vote, replace at any time its representatives on said district board. (1971, c. 815, s. 4; 1973, c. 476, s. 128.)

§ 162A-35. Procedure for inclusion of additional political subdivision or unincorporated area; notice and hearing; elections; actions questioning validity of elections. — If, at any time subsequent to the creation of a district, there shall be filed with the district board a resolution of the governing body of a political subdivision, or a petition, signed by not less than fifteen per centum (15%) of the voters resident within an unincorporated area, requesting inclusion in the district of such political subdivision or unincorporated area, and if the district board shall favor the inclusion in the district of such political subdivision or unincorporated area, the district board shall notify the board of commissioners and the board of commissioners, through its chairman, shall thereupon request that a representative of the Commission for Health Services hold a joint public hearing with the board of commissioners concerning the inclusion of such political subdivision or unincorporated area in the district. The Secretary of Human Resources and the chairman of the board of commissioners shall name a time and place within the district at which the public hearing shall be held. The chairman of the board of commissioners shall give prior notice of such hearing by posting a notice at the courthouse door of the county and also by publication in a newspaper circulating in the district and in any such political subdivision or unincorporated area at least once a week for four successive weeks, the first publication to be at least 30 days prior to such hearing. In the event all matters pertaining to the inclusion of such political subdivision or unincorporated area cannot be included at such hearing, such hearing may be continued to a time and place within the district determined by the board of commissioners with the concurrence of the representative of the Commission for Health Services.

If, after such hearing, the Commission for Health Services and the board of commissioners shall determine that the preservation and promotion of the public health and welfare require that such political subdivision or unincorporated area be included in the district, the Commission for Health Services shall adopt a resolution to that effect, defining the boundaries of the district including such political subdivision or unincorporated area which has filed a resolution or petition as provided for in this section, and declaring such political subdivision or unincorporated area to be included in the district, subject to the approval, as to the inclusion of such political subdivision, of a majority of the qualified voters of such political subdivision, or as to the inclusion of such unincorporated area, of a majority of the qualified voters of such unincorporated area, voting at an election thereon to be called and held in such political subdivision or unincorporated area. When an election is required to be held within both a political subdivision and an unincorporated area, a separate election shall be called and held for the unincorporated area and a separate election shall be called and held for the political subdivision. Such separate elections, although independent one from the other, shall be called and held within each political subdivision and within the unincorporated area simultaneously on the same date.

If, at or prior to such public hearing, there shall be filed with the district board a petition signed by not less than fifteen per centum (15%) of the voters residing in the district requesting an election to be held therein on the question of

including any such political subdivision or unincorporated area, the district board shall certify a copy of such petition to the board of commissioners and the board of commissioners shall order and provide for the submission of such question to the qualified voters within the district. Any such election may be held on the same day as the election in the political subdivision or unincorporated area proposed to be included in the district. Elections and the registration therefor within the district and an unincorporated area may be held pursuant to a single notice. Notice of registration and election within a political subdivision shall be given by separate notice.

The date or dates of any such election or elections, the election officers, the voting places and the election precincts shall be determined by the board of commissioners which shall also provide any necessary registration and polling books, and the expenses of holding any such election shall be paid from the funds of the district; provided, however, that elections held within a city or town shall be conducted as required by law for special municipal elections, except as such may be modified by the provisions of this Article, and the expense of such municipal elections shall be paid for by such city or town.

Notice of any such election shall be given by publication once a week for three successive weeks, the first publication to be at least 30 days before any such election, in a newspaper circulating in the political subdivision or unincorporated area to be included in the district, and, if an election is to be held in the district, in a newspaper circulating in the district. The notice shall state (i) the boundaries of such political subdivision or unincorporated area, (ii) the boundaries of the district after the inclusion of such political subdivision or unincorporated area, and (iii) in the case of a political subdivision proposed to be included in the district, that if a majority of the qualified voters voting at such election in such political subdivision and, if an election is held in the district, a majority of the qualified voters voting at such election in the district, shall vote in favor of the inclusion of such political subdivision, then such political subdivision so included in the district shall be subject to all debts of the district, and, in the case of an unincorporated area proposed to be included in the district, that if a majority of the qualified voters voting at such election in such unincorporated area and, if an election is held in the district, a majority of the qualified voters voting at such election in the district, shall vote in favor of the inclusion of such unincorporated area, then such unincorporated area so included in the district shall be subject to all debts of the district.

A new registration of the qualified voters in the political subdivision or unincorporated area to be included in the district shall be ordered by the board of commissioners and, if an election is to be held in the district and such election is the first election held in the district after its creation, a new registration of the qualified voters of the district shall be ordered; provided, however, that within a city or town which is voting on the question of inclusion in the district, a new registration may be ordered at the discretion of the governing body thereof and such registration shall be conducted in accordance with the law applicable to the registration of voters in municipal elections. If an election has previously been held in the district, a supplemental registration of all qualified voters not theretofore registered may, at the discretion of the board of commissioners, be ordered and held in accordance with the provisions for registration as herein set forth. Notice of any such registration shall be given by the board of commissioners by publication once at least 30 days before the close of the registration books and such notice of registration may be considered one of the three notices required of the election. The time and manner of any such registration shall, as near as may be, conform with that of the registration of voters provided in G.S. 163-31. The notice of any such registration shall state the dates on which the books will be open on Saturdays. The books for any such registration shall close on the second Saturday before the election. The Saturday

before election day shall be challenge day and, except as otherwise provided in this section, any such election shall be held in accordance with the law governing general elections.

A ballot shall be furnished to each qualified voter in any such election, which ballot may contain the words "For inclusion in the . . . . . Metropolitan Water District of . . . . . County of . . . . . ." and the words "Against inclusion in the . . . . . Metropolitan Water District of . . . . . County of . . . . . ," with squares opposite said affirmative and negative forms of the question of inclusion submitted to the voters, in one of which squares the voter may make a cross (X) mark. Voting machines may, in the discretion of the commissioners, be utilized for said election.

If a majority of the qualified voters voting at such election in a political subdivision proposed to be included in the district and, if an election is held in the district, a majority of the qualified voters voting at such election in the district shall vote in favor of the inclusion of such political subdivision, then the district shall be deemed to be enlarged to include such political subdivision, from and after the date of the declaration of the result of the election by the district board, and such political subdivision shall be subject to all debts of the district. If a majority of the qualified voters voting at such election in an unincorporated area proposed to be included in the district and, if an election is held in the district, a majority of the qualified voters voting at such election in the district shall vote in favor of the inclusion of such unincorporated area, then the district shall be deemed to be enlarged to include such unincorporated area from and after the date of the declaration of the result of the election by the district board, and such unincorporated area shall be subject to all debts of the district.

The returns of any such election held in an unincorporated area shall be canvassed by the board of commissioners and certified to the district board. The returns of any such election held within a municipality shall be canvassed by the municipal governing body and certified to the district board. Upon receipt of the certified election returns, the district board shall declare the results thereof.

A statement of the result of any such election shall be prepared and signed by a majority of the members of the district board, which statement shall show the date of any such election, the number of qualified voters within the political subdivision or unincorporated area who voted for and against the inclusion thereof and, if an election has been held within the district, the number of qualified voters within the district who voted for and against such inclusion. If a majority of the qualified voters voting at the election in the political subdivision or unincorporated area to be included and, if an election has been held in the district, a majority of the qualified voters voting at the election in the district shall vote in favor of such inclusion, the statement of result shall so declare the result of the election and state that such political subdivision or unincorporated area is from the date of such declaration a part of the district and subject to all debts thereof. Such statement shall be published once. No right of action or defense founded upon the invalidity of any such election shall be asserted, nor shall the validity of any such election be open to question in any court upon any ground whatever, except in an action or proceeding commenced within 30 days after the publication of such statement. (1971, c. 815, s. 5; 1973, c. 476, s. 128.)

Editor's Note. — Session Laws 1967, c. 775, s. 1, revised and rewrote Chapter 163 of the General Statutes, replacing former § 163-31, referred to in the sixth paragraph. For similar provisions, see now Chapter 163, Article 7.

§ 162A-36. Powers generally; fiscal year. — (a) Each district shall be deemed to be a public body and body politic and corporate, exercising public and essential

governmental functions, to provide for the preservation and promotion of the public health and welfare, and said district is hereby authorized and empowered:

(1) To adopt bylaws for the regulation of its affairs and the conduct of its business not in conflict with this or other law;

(2) To adopt an official seal and alter the same at pleasure;

(3) To maintain an office or offices at such place or places in the district as it may designate;

(4) To sue and be sued in its own name, plead and be impleaded;

(5) To acquire, lease as lessor or lessee, construct, reconstruct, improve, extend, enlarge, equip, repair, maintain and operate any water system or part thereof, and any sewerage system or part thereof, except interceptors, treatment plants and facilities constituting a system operated by a metropolitan sewage district within or without the district; provided, however, that no such water or sewerage system or part thereof, shall be located in any city, town or incorporated village except with the consent of the governing body thereof, and each such governing body is hereby authorized to grant such consent;

(6) To issue general obligation bonds and revenue bonds of the district as hereinafter provided, to pay the costs of a water or sewerage system or systems;

(7) To issue general obligation refunding bonds and revenue refunding bonds of the district as hereinafter provided;

(8) To fix and revise from time to time and to collect rents, rates, fees and other charges for the use of the services and facilities furnished by any water or sewerage system;

(9) To cause taxes to be levied and collected upon all taxable property within the district sufficient to meet the obligations of the district, to pay the costs of maintaining, repairing and operating any water or sewerage system or systems, and to pay all obligations incurred by the district in the performance of its legal undertakings and functions;

(10) To acquire in the name of the district, either within or without the corporate limits of the district, by gift, purchase, lease or the exercise of the right of eminent domain, which right shall be exercised in accordance with the provisions of Chapter 40 of the General Statutes, any improved or unimproved lands or rights in lands, and to acquire by lease or purchase such personal property as it may deem necessary in connection with the acquisition, construction, reconstruction, improvement, extension, enlargement, repair, equipment, maintenance or operation of any water or sewerage system or systems, and to hold and dispose of real and personal property under its control;

(11) To make and enter into all contracts, leases and agreements necessary or incidental to the performance of its duties and the execution of its powers under this Article, including a trust agreement or trust agreements securing any revenue bonds issued hereunder;

(12) To employ such consulting and other engineers, superintendents, managers, construction and financial experts, accountants, attorneys, employees and agents as may, in the judgment of the district board, be deemed necessary, and to fix their compensation; provided, however, that the provisions of G.S. 159-20 shall be complied with to the extent that the same shall be applicable;

(13) To receive and accept from the United States of America or the State of North Carolina, or any agency or instrumentality thereof loans, grants, advances or contributions for or in aid of the planning, acquisition, construction, reconstruction, improvement, extension, enlargement, repair, equipment, maintenance or operation of any water or sewerage system or systems, to agree to such reasonable conditions

or requirements as may be imposed, and to receive and accept contributions from any source of either money, property, labor or other things of value, to be held, used and applied only for the purposes of which such loans, grants, advances or contributions may be made;

(14) To negotiate and pay close-out costs involved in the acquisition or lease of existing water supply or sewerage systems;

(15) To determine the extent to which local water distribution system and local sewerage system improvements will be financed out of district revenues and to contract with other political subdivisions for construction of facilities to be jointly financed and whose title would be vested in the district;

(16) To lease from any city or town or any other municipal corporation, or from any water or sewage district, any water or sewerage system or portions thereof upon such terms and conditions and for such considerations as may to the district board be deemed fair and reasonable.

(17) The metropolitan water district is authorized and empowered, through its district board, officers, agents and employees, to cause any user of water who shall fail to pay promptly his water rent or use bill for any month to be cut off, and his right to further use of water from said district to be discontinued until payment of any water rent or use arrearages.

(18) To do all acts and things necessary or convenient to carry out the powers granted by this Article.

(b)(1) Each metropolitan water district shall publish an annual financial report and its books shall be open for public inspection.

(2) Each district shall keep its accounts on the basis of a fiscal year commencing on the first day of July and ending on the thirtieth day of June of the following year.

(3) District revenues shall be used solely for the operation, improvement or benefit of the district's water and sewerage systems and the leasing of any portion thereof and to pay the principal and interest on bonds issued by the district. Said revenues shall not be used for the payment of interest or amortization of any utility bonds previously issued by any city, town or water or sewerage district.

(4) A district may provide water to a city or county or portion thereof within the district for governmental purposes without charge or at reduced rates. (1971, c. 815, s. 6.)

Editor's Note. — Former § 159-20, referred to in subsection (a)(12), was rewritten by Session Laws 1971, c. 780. For similar provisions, see § 159-131.

§ 162A-37. Bonds and notes authorized. — A metropolitan water district may from time to time issue bonds and notes under the Local Government Finance Act. (1971, c. 780, s. 37.5; c. 815, s. 7; 1973, c. 494, s. 46.)

§§ 162A-38 to 162A-44: Repealed by Session Laws 1971, c. 780, s. 37.5; 1973, c. 494, s. 46.

§ 162A-45. Determination of tax rate by district board; levy and collection of tax; remittance and deposit of funds. — After each assessment for taxes following the creation of the district, the board of commissioners shall file with the district board the valuation of assessable property within the district. The district board shall then determine the amount of funds to be raised by taxation for the ensuing year in excess of available funds to provide for the payment of the interest on and the principal of all outstanding general obligation bonds as the same shall become due and payable, to pay the cost of maintaining, repairing

and operating any water system or sewerage system or both, and to pay all obligations incurred by the district in the performance of its lawful undertakings and functions.

The district board shall determine the number of cents per one hundred dollars ($100.00) necessary to raise said amount and certify such rate to the board of commissioners. The board of commissioners in its next annual levy shall include the number of cents per one hundred dollars ($100.00) certified by the district board in the levy against all taxable property within the district, which tax shall be collected as other county taxes are collected, and every month the amount of tax so collected shall be remitted to the district board and deposited by the district board in a separate account in a bank in the State of North Carolina. Such levy may include an amount for reimbursing the county for the additional cost to the county of levying and collecting such taxes, pursuant to such formula as may be agreed upon by the district board and the board of commissioners, to be deducted from the collections and stated with each remittance to the district board. The officer or officers having charge or custody of the funds of the district shall require such bank to furnish security for protection of such deposits as provided in G.S. 159-31. (1971, c. 815, s. 15; 1973, c. 1446, s. 13.)

§§ 162A-46 to 162A-48: Repealed by Session Laws 1971, c. 780, s. 37.5; 1973, c. 494, s. 46.

§ 162A-49. Rates and charges for services. — The district board may fix, and may revise from time to time, rents, rates, fees and other charges for the use of land for the services furnished or to be furnished by any water system or sewerage system or both. Such rents, rates, fees and charges shall not be subject to supervision or regulation by any bureau, board, commission, or other agency of the State or of any political subdivision. Any such rents, rates, fees and charges pledged to the payment of revenue bonds of the district shall be fixed and revised so that the revenues of the water system or sewerage system or both, together with any other available funds, shall be sufficient at all times to pay the cost of maintaining, repairing and operating the water system or the sewerage system or both, the revenues of which are pledged to the payment of such revenue bonds, including reserves for such purposes, and to pay the interest on and the principal of such revenue bonds as the same shall become due and payable and to provide reserves therefor. If any such rents, rates, fees and charges are pledged to the payment of any general obligation bonds issued under this Article, such rents, rates, fees and charges shall be fixed and revised so as to comply with the requirements of such pledge. The district board may provide methods for collection of such rents, rates, fees and charges and measures for enforcement of collection thereof, including penalties and the denial or discontinuance of service. (1971, c. 815, s. 19.)

§§ 162A-50 to 162A-52: Repealed by Session Laws 1971, c. 780, s. 37.5; 1973, c. 494, s. 46.

§ 162A-53. Authority of governing bodies of political subdivisions. — The governing body of any political subdivision is hereby authorized and empowered:

(1) Subject to the approval of the Local Government Commission, to transfer jurisdiction over, and to lease, lend, sell, grant or convey to a district, upon such terms and conditions as the governing body of such political subdivision may agree upon with the district board, the whole or any part of any water system or sewerage system or both, and such real or personal property as may be necessary or useful in connection with the acquisition, construction, reconstruction, improvement, extension, enlargement, equipment, repair, maintenance or operation of any new water system or sewerage system or both by the district, including public roads and other property already devoted to public use;

(2) To make and enter into contracts or agreements with a district, upon such terms and conditions and for such periods as such governing body and the district board may determine:
   a. For the collection, treatment or disposal of sewage;
   b. For the collecting by such political subdivision or by the district of rents, rates, fees or charges for the services and facilities provided to or for such political subdivision or its inhabitants by any water system or sewerage system or both and for the enforcement of collection of such rents, rates, fees and charges; and
   c. For the imposition of penalties, including the shutting off of the supply of water furnished by any water system owned or operated by such political subdivision, in the event that the owner, tenant or occupant of any premises utilizing such water shall fail to pay any such rents, rates, fees or charges;
   d. For the supply of raw or treated water on a regular retail or wholesale basis;
   e. For the supply of raw or treated water on a standby wholesale basis;
   f. For the construction of jointly financed facilities whose title shall be vested in the district.

(3) To fix, and revise from time to time, rents, rates, fees and other charges for the services furnished or to be furnished by a water system or sewerage system or both under any contract between the district and such political subdivision, and to pledge all or any part of the proceeds of such rents, rates, fees and charges to the payment of any obligation of such political subdivision to the district under such contract;

(4) To pay any obligation of such political subdivision to the district under such contract from any available funds of the political subdivision and to levy and collect a tax ad valorem for the making of any such payment; and

(5) In its discretion or if required by law, to submit to its qualified electors under the election laws applicable to such political subdivision any contract or agreement which such governing body is authorized to make and enter into with the district under the provisions of this Article.

Any such election upon a contract or agreement, may, at the discretion of the governing body, be called and held under the election laws applicable to the issuance of bonds by such political subdivision. (1971, c. 815, s. 23.)

§ 162A-54. Rights-of-way and easements in streets and highways. — A right-of-way or easement in, along, or across any State highway system road, or street, and along or across any city or town street within a district is hereby granted to a district in case such right-of-way is found by the district board to be necessary or convenient for carrying out any of the work of the district. Any work done in, along, or across any State highway system, road, street, or property shall be done in accordance with the rules and regulations and any reasonable requirements of the Board of Transportation, and any work done in, along, or across any municipal street or property shall be done in accordance with any reasonable requirements of the municipal governing body. (1971, c. 815, s. 24; 1973, c. 507, s. 5.)

§ 162A-55. Submission of preliminary plans to planning groups; cooperation with planning agencies. — Prior to the time final plans are made for the location and construction of any water system or sewerage system or both, the district board shall present preliminary plans for such improvement to the county, municipal or regional planning board for their consideration, if such facility is to be located within the planning jurisdiction of any such county, municipal or regional planning group. The district board shall make every effort

to cooperate with the planning agency, if any, in the location and construction of a proposed facility authorized under this Article. The district board created under the authority of this Article is hereby directed, wherever possible, to coordinate its plans for the construction of a water system or sewerage system or both, with the overall plans for the development of the planning area, if such district is located wholly or in part within a county, municipal or regional planning area; provided, however, that the approval of any such county, municipal or regional planning board as to any such plan of the district shall not be required. (1971, c. 815, s. 25.)

§ 162A-45. Advances by political subdivisions for preliminary expenses of districts.—Any political subdivision is hereby authorized to make advances, from any moneys that may be available for such purpose, in connection with the creation of such district and to provide for the preliminary expenses of such district. Any such advances may be repaid to such political subdivision from the proceeds of bonds issued by said district or from other available funds of said district. (1971, c. 815, s. 26.)

§ 162A-57. Article regarded as supplemental. — This Article shall not be regarded as in derogation of or as repealing any powers now existing under any other law, either general, special or local; provided, however, that the issuance of bonds under the provisions of this Article need not comply with the requirements of any other law applicable to the issuance of bonds except as herein provided. (1971, c. 815, s. 27.)

§ 162A-58. Inconsistent laws declared inapplicable. — All general, special or local laws, or parts thereof inconsistent herewith are hereby declared to be inapplicable, unless otherwise specified, to the provisions of this Article. It is specifically provided that Chapter 399 of the 1933 Public-Local and Private Laws of North Carolina shall not be applicable to any metropolitan water district created pursuant to the provisions of this Article. (1971, c. 815, s. 28.)

§§ 162A-59 to 162A-63: Reserved for future codification purposes.

ARTICLE 5.

Metropolitan Sewerage Districts.

§ 162A-64. Short title. — This Article shall be known and may be cited as the "North Carolina Metropolitan Sewerage Districts Act." (1961, c. 795, s. 1; 1973, c. 822, s. 4.)

Editor's Note. — This Article, comprising §§ 162A-64 through 162A-80, was formerly Article 25, §§ 153-295 through 153-324, of Chapter 153. It was reenacted and transferred to its present location by Session Laws 1973, c. 822, s. 4.

§ 162A-65. Definitions; description of boundaries. — (a) Definitions. — As used in this Article the following words and terms shall have the following meanings, unless the context shall indicate another or different meaning or intent:

(1) The term "board of commissioners" shall mean the board of commissioners of the county in which a metropolitan sewerage district shall be created under the provisions of this Article.

(2) The word "cost" as applied to a sewerage system shall mean the cost of acquiring, constructing, reconstructing, improving, extending, enlarging, repairing and equipping any such system, and shall include the cost of all labor and materials, machinery and equipment, lands,

property, rights, easements and franchises, plans and specifications, surveys and estimates of cost and of revenues, and engineering and legal services, financing charges, interest prior to and during construction and, if deemed advisable by the district board, for one year after the estimated date of completion of construction, and all other expenses necessary or incident to determining the feasibility or practicability of any such undertaking, administrative expense and such other expenses, including reasonable provision for working capital and a reserve for interest, as may be necessary or incident to the financing herein authorized, and may also include any obligation or expense incurred by the district or by any political subdivision prior to the issuance of bonds under the provisions of this Article in connection with any such undertaking or any of the foregoing items of cost.

(3) The word "district" shall mean a metropolitan sewerage district created under the provisions of this Article.

(4) The term "district board" shall mean a sewerage district board established under the provisions of this Article as the governing body of a district or, if such sewerage district board shall be abolished, any board, body or commission succeeding to the principal functions thereof or upon which the powers given by this Article to the sewerage district board shall be given by law.

(5) The term "general obligation bonds" shall mean bonds of a district for the payment of which and the interest thereon all the taxable property within such district is subject to the levy of an ad valorem tax without limitation of rate or amount.

(6) The term "governing body" shall mean the board, commission, council or other body, by whatever name it may be known, of a political subdivision in which the general legislative powers thereof are vested, including, but without limitation, as to any political subdivision other than the county, the board of commissioners for the county when the general legislative powers of such political subdivision are exercised by such board.

(7) The word "person" shall mean any and all persons including individuals, firms, partnerships, associations, public or private institutions, municipalities, or political subdivisions, governmental agencies, or private or public corporations organized and existing under the laws of this State or any other state or county.

(8) The term "political subdivision" shall mean any county, city, town, incorporated village, sanitary district, water district, sewer district, special purpose district or other political subdivision or public corporation of this State now or hereafter created or established.

(9) The term "revenue bonds" shall mean bonds the principal of and the interest on which are payable solely from revenues of a sewerage system or systems.

(9a) The word "revenues" shall mean all moneys received by a district from, in connection with or as a result of its ownership or operation of a sewerage system, including, without limitation and if deemed advisable by the district board, moneys received from the United States of America, or any agency thereof, pursuant to an agreement with the district board pertaining to the sewerage system.

(10) The word "sewage" shall mean the water-carried wastes created in and carried or to be carried away from residences, hotels, schools, hospitals, industrial establishments, commercial establishments or any other private or public buildings, together with such surface or ground water or household and industrial wastes as may be present.

(11) The term "sewage disposal system" shall mean any plant, system, facility or property, either within or without the limits of the district, used or useful or having the present capacity for future use in connection with the collection, treatment, purification or disposal of sewage, or any integral part thereof, including but not limited to treatment plants, pumping stations, intercepting sewers, trunk sewers, pressure lines, mains and all necessary appurtenances and equipment, and all property, rights, easements and franchises relating thereto and deemed necessary or convenient by the district board for the operation thereof.

(12) The term "sewerage system" shall embrace both sewers and sewage disposal systems and any part or parts thereof, either within or without the limits of the district, all property, rights, easements and franchises relating thereto, and any and all buildings and other structures necessary or useful in connection with the ownership, operation or maintenance thereof.

(13) The word "sewers" shall mean any mains, pipes and laterals, including pumping stations, either within or without the limits of the district, for the reception of sewage and carrying such sewage to an outfall or some part of a sewage disposal system.

(b) Description of Boundaries. — Whenever this Article requires that the boundaries of an area be described, it shall be sufficient if the boundaries are described in a manner which conveys an understanding of the location of the land and may be

(1) By reference to a map,

(2) By metes and bounds,

(3) By general description referring to natural boundaries, boundaries of political subdivisions, or boundaries of particular tracts or parcels of land, or

(4) Any combination of the foregoing. (1961, c. 795, s. 2; 1969, c. 993, s. 1; 1973, c. 822, s. 4.)

§ 162A-66. Procedure for creation; resolutions and petitions for creation; notice to and action by the Environmental Management Commission; notice and public hearing; resolutions creating districts; actions to set aside proceedings. — Any two or more political subdivisions in one or more counties, or any political subdivision or subdivisions and any unincorporated area or areas located within one or more counties, which political subdivisions or areas need not be contiguous, may petition for the creation of a metropolitan sewerage district under the provisions of this Article by filing with the board or boards of commissioners of the county or counties within which the proposed district will lie:

(1) A resolution of the governing body of each such political subdivision stating the necessity for the creation of a metropolitan sewerage district under the provisions of this Article in order to preserve and promote the public health and welfare within the area of the proposed district, and requesting the creation of a metropolitan sewerage district having the boundaries set forth in said resolution, and

(2) If any unincorporated area is to be included in such district, a petition, signed by not less than fifty-one per centum (51%) of the freeholders resident within such area, defining the boundaries of such area, stating the necessity for the creation of a metropolitan sewerage district under the provisions of this Article in order to preserve and promote the public health and welfare within the proposed district, and requesting the creation of a metropolitan sewerage district having the boundaries set forth in such petition for such district.

Upon the receipt of such resolutions and petitions requesting the creation of a metropolitan sewerage district, the board or boards of commissioners, through the chairman thereof, shall notify the North Carolina Environmental Management Commission of the receipt of such resolutions and petitions, and shall request that a representative of the Environmental Management Commission hold a joint public hearing with the board or boards of commissioners concerning the creation of the proposed metropolitan sewerage district. The chairman of the Environmental Management Commission and the chairman or chairmen of the board or boards of commissioners shall name a time and place within the proposed district at which the public hearing shall be held; provided, however, that where a proposed district lies within more than one county, the public hearing shall be held in the county within which the greater portion of the proposed district lies. The chairman or chairmen of the board or boards of commissioners shall give prior notice of such hearing by posting a notice at least 30 days prior to the hearing at the courthouse of the county or counties within which the district will lie and also by publication at least once a week for four successive weeks in a newspaper having general circulation in the proposed district, the first publication to be at least 30 days prior to such hearing. In the event all matters pertaining to the creation of such metropolitan sewerage district cannot be concluded at such hearing, such hearing may be continued to a time and place within the proposed district determined by the board or boards of commissioners with the concurrence of the representative of the Environmental Management Commission.

If, after such hearing, the Environmental Management Commission and the board or boards of commissioners shall deem it advisable to comply with the request of such resolutions and petitions, and determine that the creation of a metropolitan sewerage district would preserve and promote the public health and welfare in the area or areas described in such resolutions and petitions, the Environmental Management Commission shall adopt a resolution to that effect, defining the boundaries of such district and declaring the territory within such boundaries to be a metropolitan sewerage district under the name and style of ". . . . . Metropolitan Sewerage District of . . . . . [County] [Counties]"; provided, that the Environmental Management Commission may make minor deviations in the boundaries from those prescribed in the resolutions and petitions upon determination by the Environmental Management Commission that such deviations are advisable in the interest of the public health, and provided no such district shall include any political subdivision which has not petitioned for inclusion as provided in this Article.

The Environmental Management Commission shall cause copies of the resolution creating the metropolitan sewerage district to be sent to the board or boards of commissioners and to the governing body of each political subdivision included in the district. The board or boards of commissioners shall cause a copy of such resolution of the Environmental Management Commission to be published in a newspaper circulating within the district once in each of two successive weeks, and a notice substantially in the following form shall be published with such resolution:

The foregoing resolution was passed by the North Carolina Environmental Management Commission on the . . . . . day of . . . . . ., 19. . . ., and was first published on the . . . . . day of . . . . . ., 19. . . . .

Any action or proceeding questioning the validity of said resolution or the creation of the metropolitan sewerage district therein described must be commenced within 30 days after the first publication of said resolution.

. . . . . .

Clerk, Board of Commissioners for

. . . . . County.

Any action or proceeding in any court to set aside a resolution creating a metropolitan sewerage district, or to obtain any other relief upon the ground that such resolution or any proceeding or action taken with respect to the creation of such district is invalid, must be commenced within 30 days after the first publication of the resolution and said notice. After the expiration of such period of limitation, no right of action or defense founded upon the invalidity of the resolution or the creation of the metropolitan sewerage district therein described shall be asserted, nor shall the validity of the resolution or of the creation of such metropolitan sewerage district be open to question in any court upon any ground whatever, except in an action or proceeding commenced within such period. (1961, c. 795, s. 3; 1973, c. 512, s. 1; c. 822, s. 4; c. 1262, s. 23.)

The legislature has the sole power to create municipal corporations. The courts do not have that power. State ex rel. Dyer v. City of Leaksville, 275 N.C. 41, 165 S.E.2d 201 (1969).

Municipal corporations are political subdivisions of the State, created as convenient agencies for exercising such of the governmental powers of the State as may be entrusted to them. State ex rel. Dyer v. City of Leaksville, 275 N.C. 41, 165 S.E.2d 201 (1969).

The number, nature, and duration of the powers conferred upon municipal corporations and the territory over which they shall be exercised rests in the absolute discretion of the State. The State, therefore, at its pleasure, may modify or withdraw all such powers, expand or contract the territorial area, unite the whole or a part of it with another municipality, repeal the charter and destroy the corporation. In all these respects the State is supreme, and its legislative body, conforming its action to the State Constitution, may do as it will, unrestrained by any provision of the Constitution of the United States. State ex rel. Dyer v. City of Leaksville, 275 N.C. 41, 165 S.E.2d 201 (1969).

The governing body acts for the subdivision. Scarborough v. Adams, 264 N.C. 631, 142 S.E.2d 608 (1965).

If No Subdivision, Majority of Freeholders Must Sign Petition. — If there is no subdivision and no governing body to act for the subdivision, a majority of the freeholders must sign the petition. Scarborough v. Adams, 264 N.C. 631, 142 S.E.2d 608 (1965).

§ 162A-67. District board; composition, appointment, terms, oaths and removal of members; organization; meetings; quorum; compensation and expenses of members. — (a) Appointment of Board for District Lying Wholly or Partly outside City or Town Limits. — The district board of a metropolitan sewerage district lying in whole or in part outside the corporate limits of a city or town shall be appointed immediately after the creation of the district in the following manner:

(1) If the district lies entirely within one county, the board of commissioners shall appoint to the district board three members who are qualified voters residing within the district. The members so appointed shall have terms expiring one year, two years and three years, respectively, from the date of adoption of the resolution of the Environmental Management Commission creating the district, and the board of commissioners shall designate the length of the term of each member. Successor members shall be appointed for a term of three years.

(2) If the district lies in two counties, the board of commissioners of the county in which the largest portion of the district lies shall appoint to the district board two qualified voters residing in the county and district to serve for terms of one year and three years, respectively. The board of commissioners of the county in which the lesser portion of the district lies shall appoint to the district board one qualified voter residing in the county and district to serve for a term of two years. All successor members shall be appointed for a term of three years.

(3) If the district lies in three or more counties, the board of commissioners of each such county shall appoint one member of the district board. Each member so appointed shall be a qualified voter residing in the district and of the county from which he is appointed and shall serve

for a term of three years. Successor members shall be appointed for a term of three years.

(4) The governing body of each political subdivision, other than counties, lying in whole or in part within the district, shall appoint one member of the district board. No appointment of a member of the district board shall be made by or in behalf of any political subdivision of which the board or boards of commissioners shall be the governing body. If any city or town within the district shall have a population, as determined from the latest decennial census, greater than that of all other political subdivisions (other than counties) and unincorporated areas within the district, the governing body of any such city or town shall appoint three members. All members and their successors appointed by the governing bodies of political subdivisions other than counties shall serve for a term of three years and shall be qualified voters residing in the district and the political subdivision from which they are appointed.

(b) Appointment of Board for District Lying Wholly within City or Town Limits. — Any district lying entirely within the corporate limits of two or more cities or towns shall be governed by a district board consisting solely of members appointed by the governing bodies of such cities or towns and, in addition, one member elected by the appointed members of the district board. The governing body of each constituent city or town of the district shall appoint to the district board two qualified voters residing in the district and the city or town. The members so appointed shall elect, by majority vote, one additional member who shall be a qualified voter residing in the district and one of the constituent cities or towns.

One of the two members initially appointed by the governing body of each constituent city or town shall serve for a term which shall expire 30 days following the next regular election held for election of the governing body by which the member was appointed; and the other member shall serve for a term which shall expire two years thereafter. Successor members shall serve for a term of four years.

The member elected by the district board and his successors in office shall serve for a term of four years.

(c) Reappointment; Vacancies; Removal; Term. — Members of a district board may be reappointed. If a vacancy shall occur on a district board, the governing body which appointed the member who previously filled the vacancy shall appoint a new member who shall serve for the remainder of the unexpired term. Any member of a district board may be removed for cause by the governing board that appointed him. All members shall serve until their successors have been duly appointed and qualified.

(d) District Board Procedures. — Each member of the district board, before entering upon his duties, shall take and subscribe an oath or affirmation to support the Constitution and laws of the United States and of this State and to discharge faithfully the duties of his office; and a record of each such oath shall be filed with the clerk or clerks of the board or boards of commissioners.

The district board shall elect one of its members as chairman and another as vice-chairman and shall appoint a secretary and a treasurer who may, but need not, be members of the district board. The officers [offices] of secretary and treasurer may be combined. The terms of office of the chairman, vice-chairman, secretary and treasurer shall be as provided in the bylaws of the district board.

The district board shall meet regularly at such places and dates as are determined by the board. Special meetings may be called by the chairman on his own initiative and shall be called by him upon request of two or more members of the board. All members shall be notified in writing at least 24 hours in advance of such meeting. A majority of the members of the district board shall

constitute a quorum, and the affirmative vote of a majority of the members of the district board present at any meeting thereof shall be necessary for any action taken by the district board. No vacancy in the membership of the district board shall impair the right of a quorum to exercise all the rights and perform all the duties of the district board. Each member, including the chairman, shall be entitled to vote on any question. The members of the district board may receive compensation in an amount to be determined by the board, but not to exceed ten dollars ($10.00) for each meeting attended, and may be reimbursed the amount of actual expenses incurred by them in the performance of their duties. (1961, c. 795, s. 4; 1963, c. 471; 1973, c. 512, s. 2; c. 822, s. 4; c. 1262, s. 23.)

§ 162A-68. Procedure for inclusion of additional political subdivision or unincorporated area; notice and hearing; elections; actions to set aside proceedings. — If, at any time subsequent to the creation of a district, there shall be filed with the district board a resolution of the governing body of a political subdivision, or a petition, signed by not less than fifty-one per centum (51%) of the freeholders resident within an uninco porated area, requesting inclusion in the district of such political subdivision or unincorporated area, and if the district board shall favor the inclusion in the district of such political subdivision or unincorporated area, the district board shall notify the board or boards of commissioners of the county or counties within which the district lies and shall file with the board or boards of commissioners and with the Environmental Management Commission a report setting forth the plans of the district for extending sewerage service to the political subdivision or unincorporated area. The report shall include:

(1) A map or maps of the district and adjacent territory showing the present and proposed boundaries of the district; the existing major sewer interceptors and outfalls; and the proposed extension of such interceptors and outfalls.

(2) A statement setting forth the plans of the district for extending sewerage services to the territory proposed to be included, which plans shall:

a. Provide for extending sewerage service to the territory included on substantially the same basis and in the same manner as such services are provided within the rest of the district prior to inclusion of the new territory.

b. Set forth a proposed time schedule for extending sewerage service to the territory proposed to be included.

c. Set forth the estimated cost of extending sewerage service to the territory proposed to be included; the method by which the district proposes to finance the extension; the outstanding existing indebtedness of the district, if any; and the valuation of assessable property within the district and within the territory proposed to be included.

d. Contain a declaration of intent of the district board to conform with the plans set forth in the report in extending sewerage services to the territory proposed to be included; and a certification by the chairman of the district board to the effect that the matters and things set forth in the report are true to his knowledge or belief.

The board or boards of commissioners, through the chairmen thereof, shall thereupon request that a representative of the Environmental Management Commission hold a joint public meeting with the board or boards of commissioners concerning the inclusion of such political subdivision or unincorporated area in the district. The chairman of the Environmental Management Commission and the chairman or chairmen of the board or boards of commissioners shall name a time and place within the district at which the

public hearing shall be held. The chairman or chairmen of the board or boards of commissioners shall give prior notice of such hearing by posting a notice at the courthouse door of the county or counties at least 30 days prior to the hearing and also by publication at least once a week for four successive weeks in a newspaper having general circulation in the district and in any such political subdivision or unincorporated area, the first publication to be at least 30 days prior to such hearing. In the event all matters pertaining to the inclusion of such political subdivision or unincorporated area cannot be included at such hearing, such hearing may be continued to a time and place within the district determined by the board or boards of commissioners with the concurrence of the representative of the Environmental Management Commission.

If, after such hearing, the Environmental Management Commission and the board or boards of commissioners shall determine that the inclusion of such political subdivision or unincorporated area in the district will preserve and promote the public health and welfare, the Environmental Management Commission shall adopt a resolution to that effect, defining the boundaries of the district, including such political subdivision or unincorporated area which has filed a resolution or petition as provided for in this section, and declaring such political subdivision or unincorporated area to be included in the district.

If, at or prior to such public hearing, there shall be filed with the district board a petition, signed by not less than ten per centum (10%) of the freeholders residing in the district, requesting an election to be held therein on the question of including any such political subdivision or unincorporated area, the district board shall certify a copy of such petition to the board or boards of commissioners, and the board or boards of commissioners shall request the county board or boards of elections to submit such question to the qualified voters within the district in accordance with the applicable provisions of Chapter 163 of the General Statutes; provided, that the election shall not be held unless the Environmental Management Commission has adopted a resolution approving the inclusion of the political subdivision or unincorporated area in the district.

Notice of such election, which shall contain a statement of the boundaries of the territory proposed to be included in the district and the boundaries of the district after inclusion, shall be given by publication once a week for three successive weeks in a newspaper or newspapers having general circulation within the district, the first publication to be at least 30 days prior to the election.

Notice of the resolution of the Environmental Management Commission, or in the event that an election pursuant to this section is held, notice of the results of the election, approving the inclusion of the political subdivision or unincorporated area within the district shall be published as provided in G.S. 162A-66.

Any action or proceeding in any court to set aside a resolution of the Environmental Management Commission or an election approving the inclusion of a political subdivision or unincorporated area within a district or to obtain any other relief upon the ground that such resolution or election or any proceeding or action taken with respect to the inclusion of the political subdivision or unincorporated area within the district is invalid, must be commenced within 30 days after the first publication of the notice. After the expiration of such period of limitation, no right of action or defense founded upon the invalidity of the resolution or the election or the inclusion of the political subdivision or unincorporated area in the district shall be asserted, nor shall the validity of the resolution or the election or the inclusion of the political subdivision or unincorporated area be open to question in any court upon any ground whatever, except in an action or proceeding commenced within such period.

Any political subdivision or unincorporated area included within an existing district by resolution of the Environmental Management Commission or by such resolution and election shall be subject to all debts of the district.

The annexation by a city or town within a metropolitan sewerage district of an area lying outside such district shall not be construed as the inclusion within the district of an additional political subdivision or unincorporated area within the meaning of the provisions of this section; but any such areas so annexed shall become a part of the district and shall be subject to all debts thereof.

Immediately following the inclusion of any additional political subdivision or unincorporated area within an existing district, members representing such additional political subdivision or unincorporated area shall be appointed to the district board in the manner provided in G.S. 162A-67. The terms of office of the members first appointed to represent such additional subdivision or area may be varied for a period not to exceed six months from the terms provided for in G.S. 162A-67, so that the appointment of successors to such members may more nearly coincide with the appointment of successors to members of the existing board; and all successor members shall be appointed for the terms provided for in G.S. 162A-67. (1961, c. 795, s. 5; 1973, c. 512, s. 3; c. 822, s. 4; c. 1262, s. 23.)

§ 162A-69. Powers generally; fiscal year. — Each district shall be deemed to be a public body and body politic and corporate exercising public and essential governmental functions to provide for the preservation and promotion of the public health and welfare, and each district is hereby authorized and empowered:

(1) To adopt bylaws for the regulation of its affairs and the conduct of its business not in conflict with this or other law;

(2) To adopt an official seal and alter the same at pleasure;

(3) To maintain an office at such place or places in the district as it may designate;

(4) To sue and be sued in its own name, plead and be impleaded;

(5) To acquire, lease as lessor or lessee, construct, reconstruct, improve, extend, enlarge, equip, repair, maintain and operate any sewerage system or part thereof within or without the district; provided, however, that no such sewerage system or part thereof shall be located in any city, town or incorporated village outside the district except with the consent of the governing body thereof, and each such governing body is hereby authorized to grant such consent;

(6) To issue general obligation bonds and revenue bonds of the district as hereinafter provided to pay the cost of a sewerage system or systems;

(7) To issue general obligation refunding bonds and revenue refunding bonds of the district as hereinafter provided;

(8) To fix and revise from time to time and to collect rents, rates, fees and other charges for the use of or for the services and facilities furnished by any sewerage system;

(9) To cause taxes to be levied and collected upon all taxable property within the district sufficient to meet the obligations of the district, to pay the cost of maintaining, repairing and operating any sewerage system or systems, and to pay all obligations incurred by the district in the performance of its lawful undertakings and functions;

(10) To acquire in the name of the district, either within or without the corporate limits of the district, by gift, purchase or the exercise of the right of eminent domain, which right shall be exercised in accordance with the provisions of Chapter 40 of the General Statutes of North Carolina, any improved or unimproved lands or rights in land, and to acquire such personal property, as it may deem necessary in connection with the acquisition, construction, reconstruction, improvement, extension, enlargement, repair, equipment, maintenance or operation

of any sewerage system, and to hold and dispose of all real and personal property under its control;

(11) To make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this Article, including a trust agreement or trust agreements securing any revenue bonds issued hereunder;

(12) To employ such consulting and other engineers, superintendents, managers, construction and financial experts, accountants, attorneys, employees and agents as may, in the judgment of the district board be deemed necessary, and to fix their compensation; provided, however, that the provisions of G.S. 159-20 shall be complied with to the extent that the same shall be applicable;

(13) To receive and accept from the United States of America or the State of North Carolina or any agency or instrumentality thereof loans, grants, advances or contributions for or in aid of the planning, acquisition, construction, reconstruction, improvement, extension, enlargement, repair, equipment, maintenance or operation of any sewerage system or systems, to agree to such reasonable conditions or requirements as may be imposed, and to receive and accept contributions from any source of either money, property, labor or other things of value, to be held, used and applied only for the purposes for which such loans, grants, advances or contributions may be made; and

(14) To do all acts and things necessary or convenient to carry out the powers granted by this Article.

Each district shall keep its accounts on the basis of a fiscal year commencing on the first day of July and ending on the thirtieth day of June of the following year. (1961, c. 795, s. 6; 1973, c. 822, s. 4.)

Editor's Note. — The reference in subdivision (12) of this section to § 159-20 is to that section in Chapter 159 before its revisions by Session Laws 1971, c. 780. The corresponding section in the revised chapter is § 159-131.

Applied in Scarborough v. Adams, 264 N.C. 631, 142 S.E.2d 608 (1965).

§ 162A-70. Bonds and notes authorized. — A metropolitan sewerage district shall have power from time to time to issue bonds and notes under the Local Government Finance Act. (1961, c. 795, s. 7; 1971, c. 780, s. 30; 1973, c. 822, s. 4.)

Editor's Note. — See the Editor's note under § 162A-64.

§ 162A-71. Determination of tax rate by district board; levy and collection of tax; remittance and deposit of funds. — After each assessment for taxes following the creation of the district, the board or boards of commissioners shall file with the district board the valuation of assessable property within the district. The district board shall then determine the amount of funds to be raised by taxation for the ensuing year in excess of available funds to provide for the payment of interest on and the principal of all outstanding general obligation bonds as the same shall become due and payable, to pay the cost of maintaining, repairing and operating any sewerage system or systems, and to pay all obligations incurred by the district in the performance of its lawful undertakings and functions.

The district board shall determine the number of cents per one hundred dollars ($100.00) necessary to raise said amount and certify such rate to the board or boards of commissioners. The board or boards of commissioners shall include

the number of cents per one hundred dollars ($100.00) certified by the district board in its next annual levy against all taxable property within the district, which tax shall be collected as other county taxes are collected, and every month the amount of tax so collected shall be remitted to the district board and deposited by the district board in a separate account in a bank in the State of North Carolina. Such levy may include an amount for reimbursing the county for the additional cost to the county of levying and collecting such taxes, pursuant to such formula as may be agreed upon by the district board and the board or boards of commissioners, to be deducted from the collections and stated with each remittance to the district board. The officer or officers having charge or custody of the funds of the district shall require said bank to furnish security for protection of such deposits as provided in G.S. 159-28 and, after June 30, 1973, G.S. 159-31. (1961, c. 795, s. 15; 1973, c. 512, s. 4; c. 822, s. 4.)

§ 162A-72. Rates and charges for services. — The district board may fix, and may revise from time to time, rents, rates, fees and other charges for the use of and for the services furnished or to be furnished by any sewerage system. Such rents, rates, fees and charges shall not be subject to supervision or regulation by any bureau, board, commission, or other agency of the State or of any political subdivision. Any such rents, rates, fees and charges pledged to the payment of revenue bonds of the district shall be fixed and revised so that the revenues of the sewerage system, together with any other available funds, shall be sufficient at all times to pay the cost of maintaining, repairing and operating the sewerage system the revenues of which are pledged to the payment of such revenue bonds, including reserves for such purposes, and to pay the interest on and the principal of such revenue bonds as the same shall become due and payable and to provide reserves therefor. If any such rents, rates, fees and charges are pledged to the payment of any general obligation bonds issued under this Article, such rents, rates, fees and charges shall be fixed and revised so as to comply with the requirements of such pledge. The district board may provide methods for collection of such rents, rates, fees and charges and measures for enforcement of collection thereof, including penalties and the denial or discontinuance of service. (1961, c. 795, s. 19; 1973, c. 822, s. 4.)

§ 162A-73. Authority of governing bodies of political subdivisions. — The governing body of any political subdivision is hereby authorized and empowered:

(1) Subject to the approval of the Local Government Commission, to transfer jurisdiction over, and to lease, lend, sell, grant or convey to a district, upon such terms and conditions as the governing body of such political subdivision may agree upon with the district board, the whole or any part of any existing sewerage system or systems or such real or personal property as may be necessary or useful in connection with the acquisition, construction, reconstruction, improvement, extension, enlargement, equipment, repair, maintenance or operation of any sewerage system by the district, including public roads and other property already devoted to public use;

(2) To make and enter into contracts or agreements with a district, upon such terms and conditions and for such periods as such governing body and the district board may determine:

a. For the collection, treatment or disposal of sewage;

b. For the collecting by such political subdivision or by the district of rents, rates, fees or charges for the services and facilities provided to or for such political subdivision or its inhabitants by any sewerage system, and for the enforcement of collection of such rents, rates, fees and charges; and

c. For the imposition of penalties, including the shutting off of the supply of water furnished by any water system owned or operated

by such political subdivision, in the event that the owner, tenant or occupant of any premises utilizing such water shall fail to pay any such rents, rates, fees or charges;

(3) To fix, and revise from time to time, rents, rates, fees and other charges for the services furnished or to be furnished by a sewerage system under any contract between the district and such political subdivision, and to pledge all or any part of the proceeds of such rents, rates, fees and charges to the payment of any obligation of such political subdivision to the district under such contract;

(4) To pay any obligation of such political subdivision to the district under such contract from any available funds of the political subdivision and to levy and collect a tax ad valorem for the making of any such payment; and

(5) In its discretion or if required by law, to submit to its qualified electors under the election laws applicable to such political subdivision any contract or agreement which such governing body is authorized to make and enter into with the district under the provisions of this Article.

Any such election upon a contract or agreement may, at the discretion of the governing body, be called and held under the election laws applicable to the issuance of bonds by such political subdivision. (1961, c. 795, s. 23; 1973, c. 822, s. 4.)

Subdivisions May Contract to Cut Off Water from Delinquent Sewerage Accounts. — A provision in contracts between a sewerage district and certain subdivisions that the latter would cut off water from users who were delinquent in their sewerage accounts, is valid. Scarborough v. Adams, 264 N.C. 631, 142 S.E.2d 608 (1965).

§ 162A-74. Rights-of-way and easements in streets and highways. — A right-of-way or easement in, along, or across any State highway system, road, or street, and along or across any city or town street within a district is hereby granted to a district in case such right-of-way is found by the district board to be necessary or convenient for carrying out any of the work of the district. Any work done in, along, or across any State highway system, road, street, or property shall be done in accordance with the rules and regulations and any reasonable requirements of the Board of Transportation, and any work done in, along, or across any municipal street or property shall be done in accordance with any reasonable requirements of the municipal governing body. (1961, c. 795, s. 24; 1973, c. 507, s. 5; c. 822, s. 4.)

Editor's Note. — Pursuant to Session Laws 1973, c. 507, s. 5, effective July 1, 1973, "Board of Transportation" has been substituted for "State Highway Commission" in this section as reenacted and transferred by Session Laws 1973, c. 822, s. 4.

§ 162A-75. Submission of preliminary plans to planning groups; cooperation with planning agencies. — Prior to the time final plans are made for the location and construction of any sewerage system, the district board shall present preliminary plans for such improvement to the county, municipal or regional planning board for their consideration, if such facility is to be located within the planning jurisdiction of any such county, municipal or regional planning group. The district board shall make every effort to cooperate with the planning agency, if any, in the location and construction of a proposed facility authorized under this Article. Any district board created under the authority of this Article is hereby directed, wherever possible, to coordinate its plans for the construction of sewerage system improvements with the overall plans for the development of the planning area, if such district is located wholly or in part

within a county, municipal or regional planning area; provided, however, that the approval of any such county, municipal or regional planning board as to any such plan of the district shall not be required. (1961, c. 795, s. 25; 1973, c. 822, s. 4.)

§ 162A-76. Water system acting as billing and collecting agent for district; furnishing meter readings. — The owner or operator, including any political subdivision, of a water system supplying water to the owners, lessees or tenants of real property which is or will be served by any sewerage system owned or operated by a district is authorized to act as the billing and collecting agent of the district for any rents, rates, fees or charges imposed by the district for the services and facilities provided by such sewerage system, and such district is authorized to arrange with such owner or operator to act as the billing and collecting agent of the district for such purpose. Any such owner or operator shall, if requested by a district, furnish to the district copies of such regular periodic meter reading and water consumption records and other pertinent data as the district may require to do its own billing and collecting. The district shall pay to such owner or operator the reasonable additional expenses incurred by such owner or operator in rendering such services to the district. (1961, c. 795, s. 26; 1973, c. 822, s. 4.)

§ 162A-77. District may assume sewerage system indebtedness of political subdivision; approval of voters; actions founded upon invalidity of election; tax to pay assumed indebtedness. — A district may assume all outstanding indebtedness of any political subdivision in the district lawfully incurred for paying all or any part of the cost of a sewerage system, subject to approval thereof by a majority of the qualified voters of the district voting at an election thereon. Any such election shall be called and held in accordance with the provisions of the Local Government Finance Act, insofar as the same may be made applicable, and the returns of such election shall be canvassed and a statement of the result thereof prepared, recorded and published as provided in the Local Government Finance Act. No right of action or defense founded upon the invalidity of the election shall be asserted nor shall the validity of the election be open to question in any court upon any ground whatever, except in an action or proceeding commenced within 30 days after the publication of such statement of result. In the event that any such indebtedness of a political subdivision is assumed by the district, there shall be annually levied and collected a tax ad valorem upon all the taxable property in the district sufficient to pay such assumed indebtedness and the interest thereon as the same become due and payable; provided, however, that such tax may be reduced by the amount of other moneys actually available for such purpose. Such tax shall be determined, levied and collected in the manner provided by G.S. 162A-71 and subject to the provisions of said section.

Nothing herein shall prevent any political subdivision from levying taxes to provide for the payment of its debt service requirements as to indebtedness incurred for paying all or any part of the cost of a sewerage system if such debt service requirements shall not have been otherwise provided for. (1961, c. 795, s. 27; 1973, c. 512, s. 5; c. 822, s. 4.)

§ 162A-77.1. Special election upon the question of the merger of metropolitan sewerage districts into cities or towns. — Any district lying entirely within the corporate limits of a city or town may be merged into such city or town in accordance with the provisions of this section.

The governing body of a city or town, with the approval of the district board, shall call and conduct a special election within such city or town on the question of the merger of the district into the city or town. A vote in favor of such merger shall constitute a vote for such city or town to assume the obligations of the district. Such special election may be called and conducted by the governing body

of a city or town upon its own motion after passage of a resolution of the district board requesting or approving the special election.

A new registration of voters shall not be required for the special election. The special election shall be conducted in accordance with the provisions of law applicable to regular elections in the city or town.

If a majority of the votes are in favor of the merger, then:

(1) All property, real and personal and mixed, including accounts receivable, belonging to such district shall vest in, belong to, and be the property of, such city or town. All district boards are hereby authorized to take such actions and to execute such documents as will carry into effect the provisions and the intent of this section.

(2) All judgments, liens, rights of liens, and causes of action of any nature in favor of such district shall vest in and remain and inure to the benefit of such city or town.

(3) All taxes, assessments, sewer charges, and any other debts, charges or fees, owing to such district shall be owed to and collected by such city or town.

(4) All actions, suits and proceedings pending against, or having been instituted by, such district shall not be abated by this section or by the merger herein provided for, but all such actions, suits, and proceedings shall be continued and completed in the same manner as if merger had not occurred, and such city or town shall be a party to all such actions, suits, and proceedings in the place and stead of the district and shall pay or cause to be paid any judgments rendered against the district in any such actions, suits, or proceedings. No new process need be served in any such action, suit, or proceeding.

(5) All obligations of the district, including outstanding indebtedness, shall be assumed by such city or town, and all such obligations and outstanding indebtedness shall constitute obligations and indebtedness of such city or town, and the full faith and credit of such city or town shall be deemed to be pledged for the punctual payment of the principal of and the interest on any general obligation bonds or bond anticipation notes of such district, and all the taxable property within such city or town, as well as that formerly located within the district, shall be and remain subject to taxation for such payment.

(6) All ordinances, rules, regulations, and policies of such district shall continue in full force and effect until repealed or amended by the governing body of such city or town.

(7) Such district shall be abolished, and shall no longer be constituted a public body or a body politic and corporate, except for the purposes of carrying into effect the provisions and the intent of this section.

If a majority of the votes are against the merger, then such merger shall not be effective unless approved by a majority of the qualified voters who vote thereon in a subsequent special election conducted under authority of this section.

Any action or proceeding in any court to set aside a special election held under authority of this section or the result thereof, or to obtain any other relief upon the ground that such election or any proceeding or action taken with respect to the holding of such election is invalid, must be commenced within 30 days after the day of such special election. After the expiration of such period of limitation, no right of action or defense founded upon the invalidity of the election or the result thereof shall be asserted, nor shall the validity of the election or of the result thereof be open to question in any court upon any ground whatever, except in an action or proceeding commenced within such period. (1975, c. 448.)

§ 162A-78. Advances by political subdivisions for preliminary expenses of districts. — Any political subdivision is hereby authorized to make advances,

from any moneys that may be available for such purpose, in connection with the creation of such district and to provide for the preliminary expenses of such district. Any such advances may be repaid to such political subdivision from the proceeds of bonds issued by such district or from other available funds of the district. (1961, c. 795, s. 28; 1973, c. 822, s. 4.)

§ 162A-79. Article regarded as supplemental. — This Article shall be deemed to provide an additional and alternative method for the doing of the things authorized hereby and shall be regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded as in derogation of or as repealing any powers now existing under any other law, either general, special or local; provided, however, that the issuance of bonds under the provisions of this Article need not comply with the requirements of any other law applicable to the issuance of bonds except as herein provided. (1961, c. 795, s. 29; 1973, c. 822, s. 4.)

§ 162A-80. Inconsistent laws declared inapplicable. — All general, special or local laws, or parts thereof, inconsistent herewith are hereby declared to be inapplicable, unless otherwise specified, to the provisions of this Article. (1961, c. 795, s. 30; 1973, c. 822, s. 4.)

Applied in Scarborough v. Adams, 264 N.C. 631, 142 S.E.2d 608 (1965).

Chapter 162B.

Continuity of Local Government in Emergency.

Article 1.

In General.

Sec.

162B-1. Designated emergency location of government.
162B-2. Emergency meetings.
162B-3. Emergency public business; nature and conduct.
162B-4. Provisions of Article control over local law.

Article 2.

Emergency Interim Succession to Local Offices.

162B-5. Short title.
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162B-10. Formalities of taking office.
162B-11. Period in which authority may be exercised.
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ARTICLE 1.

In General.

§ 162B-1. Designated emergency location of government. — The governing body of each political subdivision of this State is hereby authorized to designate by ordinance, resolution or other manner, alternate sites or places, within or without the territorial limits of such political subdivision and within or without this State, as the emergency location of government. (1959, c. 349.)

§ 162B-2. Emergency meetings. — Whenever the Governor and Council of State acting together declare an emergency to exist by reason of actual or impending hostile attack upon the State of North Carolina and, due to the emergency so declared, it becomes imprudent or impossible to conduct the affairs of local government at the regular or usual place or places thereof, the governing body of each political subdivision of this State is hereby authorized to meet from time to time upon call of the presiding officer or a majority of the members thereof at the designated emergency location of government during the period of the emergency and until the emergency is declared terminated by the Governor and Council of State. (1959, c. 349.)

§ 162B-3. Emergency public business; nature and conduct. — Whenever the public business of any political subdivision is being conducted at a designated emergency location outside the territorial limits thereof, the members of the governing body may exercise such executive and legislative powers and functions as are pertinent to continued operation of the local government upon return to within the respective political subdivision. Any action taken by any local governing body at a designated emergency location shall apply and be effective only within the territorial limits of the political subdivision which such governing body represents. During the period of time in which the public business is being conducted at a designated emergency location, the governing body may, when emergency conditions make impossible compliance with legally prescribed procedural requirements relating to the conduct of meetings and transaction of business, waive such compliance by adoption of an ordinance or resolution reciting the facts and conditions showing the impossibility of compliance. (1959, c. 349.)

§ 162B-4. Provisions of Article control over local law. — The provisions of this Article shall be effective in the event it shall be employed notwithstanding

any statutory, charter or ordinance provision to the contrary or in conflict herewith. (1959, c. 349.)

ARTICLE 2.

Emergency Interim Succession to Local Offices.

§ 162B-5. Short title. — This Article shall be known and may be cited as the North Carolina "Emergency Interim Local Government Executive Succession Act of 1959." (1959, c. 314, s. 1.)

§ 162B-6. Policy and purpose. — Because of the existing possibility of attack upon the State of North Carolina of unprecedented size and destructiveness, and in order, in the event of such an attack, to assure continuity of local government through legally constituted leadership, authority and responsibility in offices of political subdivisions of the State of North Carolina; to provide for the effective operation of local governments during an emergency; and to facilitate the early resumption of functions temporarily suspended, it is found and declared to be necessary to provide for emergency interim succession to governmental offices of political subdivisions in the event the incumbents thereof and their deputies, assistants or other subordinate officers authorized, pursuant to law, to exercise all of the powers and discharge the duties of such offices (hereinafter referred to as deputies) are unavailable to perform the duties and functions of such offices. (1959, c. 314, s. 2.)

§ 162B-7. Definitions. — Unless otherwise clearly required by the context, as used in this Article:

(1) "Attack" means any attack or series of attacks by an enemy of the United States upon the State of North Carolina causing, or which may cause, substantial damage or injury to civilian property or persons in the State in any manner by sabotage or by the use of bombs, missiles, shellfire, or atomic, radiological, chemical, bacteriological or biological means or other weapons or processes.

(2) "Emergency interim successor" means a person designated pursuant to this Article, in the event the officer is unavailable, to exercise the powers and discharge the duties of an office until a successor is appointed or elected and qualified as may be provided by the statutes, charters and ordinances or until the lawful incumbent is able to resume the exercise of the powers and discharge the duties of the office.

(3) "Office" includes all local offices, the powers and duties of which are defined by statutes, charters and ordinances.

(4) "Political subdivision" includes counties, cities, towns, townships, districts, authorities and other municipal corporations and entities whether organized and existing under charter or general law.

(5) "Unavailable" means either that a vacancy in office exists and there is no deputy authorized to exercise all of the powers and discharge the duties of the office, or that the lawful incumbent of the office (including any deputy exercising the powers and discharging the duties of an office because of a vacancy) and his duly authorized deputy are absent or unable to exercise the powers and discharge the duties of the office. (1959, c. 314, s. 3.)

§ 162B-8. Enabling authority for emergency interim successors for local offices. — With respect to local offices for which the governing bodies of cities, towns, townships, and counties may enact resolutions or ordinances relative to the manner in which vacancies will be filled or temporary appointments to office made, such governing bodies are hereby authorized to enact resolutions or

ordinances providing for emergency interim successors to offices of the aforementioned governmental units. Such resolutions and ordinances shall not be inconsistent with the provisions of this Article. (1959, c. 314, s. 4.)

§ 162B-9. Emergency interim successors for local officers. — The provisions of this section shall be applicable to officers of political subdivisions (including, but not limited to counties, cities, towns and townships as well as school, fire, drainage and other municipal corporate districts) not included in G.S. 162B-8. Such governing bodies, pursuant to such regulations as they may adopt, shall upon approval of this Article, designate by title (if feasible) or by named person, emergency interim successors and specify their order of succession. The local governing body shall review and revise, as necessary, designations made pursuant to this Article to insure their current status. The governing body will designate a sufficient number of persons so that there will be not less than three, nor more than seven, deputies or emergency interim successors or combination thereof at any time. In the event that any officer of any political subdivision (or his deputy provided for pursuant to law) is unavailable, the powers of the office shall be exercised and duties shall be discharged by his designated emergency interim successors in the order specified. The emergency interim successor shall exercise the powers and discharge the duties of the office to which designated until such time as a vacancy which may exist shall be filled in accordance with the Constitution or statutes; or until the officer (or his deputy or a preceding emergency interim successor) again becomes available to exercise the powers and discharge the duties of his office. (1959, c. 314, s. 5.)

§ 162B-10. Formalities of taking office. — At the time of their assumption of office, emergency interim successors shall take such oath as may be required for them to exercise the powers and discharge the duties of the office to which they may succeed. Notwithstanding any other provision of law, no person, as a prerequisite to the exercise of the powers or discharge of the duties of an office to which he succeeds, shall be required to comply with any other provision of law relative to taking office. (1959, c. 314, s. 6.)

§ 162B-11. Period in which authority may be exercised. — Emergency interim successors, authorized to act pursuant to this Article, are empowered to exercise the powers and discharge the duties of an office as herein authorized only after an attack upon the State of North Carolina, as defined herein, has occurred. The local governing body, by a duly adopted resolution, may at any time terminate the authority of said emergency interim successors to exercise the powers and discharge the duties of office as herein provided. (1959, c. 314, s. 7.)

§ 162B-12. Removal of designees. — Until such time as the persons designated as emergency interim successors are authorized to exercise the powers and discharge the duties of an office in accordance with this Article, including G.S. 162B-11 hereof, said persons shall serve in their designated capacities at the pleasure of the designating authority and may be removed or replaced by said designating authority at any time, with or without cause. (1959, c. 314, s. 8.)

§ 162B-13. Disputes. — Any dispute concerning a question of fact arising under this Article with respect to an office in any political subdivision shall be adjudicated by the local governing body and their decision shall be final. (1959, c. 314, s. 9.)

Chapter 163.

Elections and Election Laws.

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SUBCHAPTER I. TIME OF PRIMARIES AND ELECTIONS.

ARTICLE 1.

Time of Primaries and Elections.

§ 163-1. Time of regular elections and primaries. — (a) Unless otherwise provided by law, elections for the officers listed in the tabulation contained in this section shall be conducted in all election precincts of the territorial units specified in the column headed "Jurisdiction" on the dates indicated in the column headed "Date of Election." Unless otherwise provided by law, officers shall serve for the terms specified in the column headed "Term of Office."

(b) On the third Tuesday in August preceding each general election to be held in November for the officers referred to in subsection (a) of this section, there shall be held in all election precincts within the territory for which the officers are to be elected a primary election for the purpose of nominating candidates for each political party in the State for those offices.

(c) On Tuesday next after the first Monday in November in the year 1968, and every four years thereafter, or on such days as the Congress of the United States shall direct, an election shall be held in all of the election precincts of the State for the election of electors of President and Vice-President of the United States. The number of electors to be chosen shall be equal to the number of Senators and Representatives in Congress to which this State may be entitled. Presidential electors shall not be nominated by primary election; instead, they shall be nominated in a State convention of each political party as defined in G.S. 163-96 unless otherwise provided by the plan of organization of the political party. One presidential elector shall be nominated from each congressional district and two from the state-at-large.

OFFICE	JURISDICTION	DATE OF ELECTION	TERM OF OFFICE
Governor	State	Tuesday next after the first Monday in November 1968 and every four years thereafter	Four years, from first day of January next after election
Lieutenant Governor	State	Tuesday next after the first Monday in November 1968 and every four years thereafter	Four years, from first day of January next after election
Secretary of State	State	Tuesday next after the first Monday in November 1968 and every four years thereafter	Four years, from first day of January next after election
Auditor	State	Tuesday next after the first Monday in November 1968 and every four years thereafter	Four years, from first day of January next after election
Treasurer	State	Tuesday next after the first Monday in November 1968 and every four years thereafter	Four years, from first day of January next after election
Superintendent of Public Instruction	State	Tuesday next after the first Monday in November 1968 and every four years thereafter	Four years, from first day of January next after election
Attorney General	State	Tuesday next after the first Monday in November 1968 and every four years thereafter	Four years, from first day of January next after election
Commissioner of Agriculture	State	Tuesday next after the first Monday in November 1968 and every four years thereafter	Four years, from first day of January next after election
Commissioner of Labor	State	Tuesday next after the first Monday in November 1968 and every four years thereafter	Four years, from first day of January next after election

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OFFICE	JURISDICTION	DATE OF ELECTION	TERM OF OFFICE
Commissioner of Insurance	State	Tuesday next after the first Monday in November 1968 and every four years thereafter	Four years, from first day of January next after election
All other State officers whose terms last for four years	State	Tuesday next after the first Monday in November 1968 and every four years thereafter	Four years, from first day of January next after election
All other State officers whose terms are not specified by law	State	Tuesday next after the first Monday in November 1968 and every two years thereafter	Two years, from first day of January next after election
State Senator	Senatorial district	Tuesday next after the first Monday in November 1968 and every two years thereafter	Two years
Member of State House of Representatives	Representative district	Tuesday next after the first Monday in November 1968 and every two years thereafter	Two years
Justices and Judges of the Appellate Division	State	At the regular election for members of the General Assembly immediately preceding the termination of each regular term	Eight years, from first day of January next after election
Judges of the superior courts	State	At the regular election for members of the General Assembly immediately preceding the termination of each regular term	Eight years, from first day of January next after election
Judges of the district courts	District court district	At the regular election for members of the General Assembly immediately preceding the termination of each regular term	Four years, from the first Monday in December next after election

OFFICE	JURISDICTION	DATE OF ELECTION	TERM OF OFFICE
Solicitors	Solicitorial district	At the regular election for members of the General Assembly immediately preceding the termination of each regular term	Four years, from first day of January next after election
Members of House of Representatives of the Congress of the United States	Congressional district, except as modified by G.S. 163-104	Tuesday next after the first Monday in November 1968 and every two years thereafter	Two years
United States Senators	State	At the regular election immediately preceding the termination of each regular term	Six years
County commissioners	County	At the regular election for members of the General Assembly immediately preceding the termination of each regular term	Two years, from the first Monday in December next after election
Clerk of superior court	County	At the regular election for members of the General Assembly immediately preceding the termination of each regular term	Four years, from the first Monday in December next after election
Register of deeds	County	At the regular election for members of the General Assembly immediately preceding the termination of each regular term	Four years, from the first Monday in December next after election
Sheriff	County	At the regular election for members of the General Assembly immediately preceding the termination of each regular term	Four years, from the first Monday in December next after election
Coroner	County	At the regular election for members of the General Assembly immediately preceding the termination of a regular term	Four years, from the first Monday in December next after election

OFFICE	JURISDICTION	DATE OF ELECTION	TERM OF OFFICE
County treasurer (in counties in which elected)	County	Tuesday next after the first Monday in November 1968 and every two years thereafter	Two years, from the first Monday in December next after election
All other county officers to be elected by the people	County	Tuesday next after the first Monday in November 1968 and every two years thereafter	Two years, from the first Monday in December next after election

(Const., art. 4, s. 24; 1901, c. 89, ss. 1, 2, 3, 4, 73, 74, 77; Rev., ss. 4293, 4294, 4296, 4297, 4298, 4299; 1915, c. 101, s. 1; 1917, c. 218; C. S., ss. 5914, 5915, 5917, 5918, 5919, 5920, 6018; 1935, c. 362; 1939, c. 196; 1943, c. 134, s. 4; 1947, c. 505, s. 1; 1951, c. 1009, s. 2; 1953, c. 1191, s. 1; 1967, c. 775, s. 1; cc. 1264, 1271; 1969, c. 44, s. 80; 1971, c. 170; 1973, c. 793, s. 93.)

Local Modification to Former §§ 163-118 to 163-147. — Session Laws 1945, c. 894, repealed former Article 19, relating to primaries, insofar as its provisions apply to the nomination of Democratic candidates for the General Assembly and county offices in Mitchell County.

Session Laws 1957, c. 826, as amended by Session Laws 1959, c. 621, s. 2, provided that the former Article should not apply to nominations of Democratic candidates for county offices and members of the House of Representatives in Cherokee County, but such candidates should be nominated by convention of the Democratic Party.

Session Laws 1961, c. 484, provided that the former Article should not apply to nominations of Republican candidates for county offices and members of the General Assembly in Cherokee County, but such candidates should be nominated by conventions of the Republican Party.

Session Laws 1953, c. 1069, as amended by Session Laws 1959, c. 238, made the former Article applicable to Watauga County. Session Laws 1955, c. 439, to the extent provided, made the former Article applicable to Yancey County. Session Laws 1955, c. 442, made the former Article applicable to the Counties of Avery, Madison, Mitchell and Yancey for the purpose of nominating Democratic candidates for the State Senate.

Session Laws 1971, c. 50, made the provisions of the primary laws as contained in this Chapter applicable to Yancey County, and repealed Session Laws 1955, cc. 439 and 442, insofar as they conflict with the 1971 act.

Local Modification to Former § 163-129. — Avery: 1933, c. 327; 1935, c. 141; 1937, c. 263; Stanly: 1945, c. 958.

Cross Reference. — As to election of executive officers of the State government, see § 147-4.

Editor's Note. — The 1975 amendment substituted "On the third Tuesday in August" for "On Tuesday next after the first Monday in May" at the beginning of subsection (b).

Session Laws 1975, c. 246, provides that the provisions of the general primary laws of this Chapter shall be applicable in Mitchell County for the purpose of nominating the candidates of the Republican Party for all county offices.

For case law survey on elections, see 41 N.C.L. Rev. 433 (1963).

Creation of New Township — Election upon Reasonable Notice. — Under an earlier statute it was held that, where the legislature had created a new township and the time for election had passed, as the public good required the offices to be immediately filled, the commissioners could order an election upon reasonable notice. Grady v. County Comm'rs, 74 N.C. 101 (1876).

§ 163-2. Hours of primaries and elections. — In all primaries, general elections, special elections, and referenda held in this State, including those held in and for municipalities and special districts, the polls shall be open at 6:30 A.M., and shall be closed at 7:30 P.M.: Provided, however, that at all voting places at which voting machines are used the responsible county board of elections may permit the polls to remain open until 8:30 P.M. (1929, c. 164, s. 33; 1937, cc. 258, 457; 1941, c. 222; 1955, c. 1064; 1967, c. 775, s. 1; 1971, c. 416; c. 1093, s. 18.1; 1973, c. 793, s. 1.)

§§ 163-3 to 163-7: Reserved for future codification purposes.

ARTICLE 2.

Time of Elections to Fill Vacancies.

§ 163-8. Filling vacancies in State executive offices. — If the office of Governor or Lieutenant Governor shall become vacant, the provisions of G.S. 147-11.1 shall apply. If the office of any of the following officers shall be vacated by death, resignation, or otherwise than by expiration of term, it shall be the duty of the Governor to appoint another to serve until his successor is elected and qualified: Secretary of State, Auditor, Treasurer, Superintendent of Public Instruction, Attorney General, Commissioner of Agriculture, Commissioner of Labor, and Commissioner of Insurance. Each such vacancy shall be filled by election at the first election for members of the General Assembly that occurs more than 30 days after the vacancy has taken place, and the person chosen shall hold the office for the remainder of the unexpired four-year term: Provided, that when a vacancy occurs in any of the offices named in this section and the term

expires on the first day of January succeeding the next election for members of the General Assembly, the Governor shall appoint to fill the vacancy for the unexpired term of the office.

Upon the occurrence of a vacancy in the office of any one of these officers for any of the causes stated in the preceding paragraph, the Governor may appoint an acting officer to perform the duties of that office until a person is appointed or elected pursuant to this section and § 13, article III, of the State Constitution, to fill the vacancy and is qualified. (1901, c. 89, ss. 4, 73; Rev., s. 4299; C. S., s. 5920; 1967, c. 775, s. 1.)

Editor's Note. — The reference in the second paragraph is to Art. III, § 13, Const. 1868. For present provisions, see N.C. Const., Art. III, § 7.

§ 163-9. Filling vacancies in State and district judicial offices. — Vacancies occurring in the offices of Justice of the Supreme Court, judge of the Court of Appeals, and judge of the superior court for causes other than expiration of term shall be filled by appointment of the Governor. An appointee shall hold his place until the next election for members of the General Assembly that is held more than 30 days after the vacancy occurs, at which time an election shall be held to fill the unexpired term of the office: Provided, that when the unexpired term of the office in which the vacancy has occurred expires on the first day of January succeeding the next election for members of the General Assembly, the Governor shall appoint to fill that vacancy for the unexpired term of the office.

Vacancies in the office of district judge which occur before the expiration of a term shall not be filled by election. Instead, such a vacancy shall be filled for the unexpired term by appointment of the Governor from nominations submitted by the bar of the judicial district in which the vacancy occurs. If the district bar fails to submit nominations within two weeks from the date the vacancy occurs, the Governor may appoint to fill the vacancy without waiting for nominations. (1901, c. 89, ss. 4, 73; Rev., s. 4299; C. S., s. 5920; 1967, c. 775, s. 1; 1969, c. 44, s. 81.)

§ 163-10. Filling vacancy in office of solicitor. — Any vacancy occurring in the office of solicitor for causes other than expiration of term shall be filled by appointment of the Governor. An appointee shall hold his place until the next election for members of the General Assembly that is held more than 30 days after the vacancy occurs, at which time an election shall be held to fill the unexpired term of the office: Provided, that when the unexpired term of the office in which the vacancy has occurred expires on the first day of January succeeding the next election for members of the General Assembly, the Governor shall appoint to fill that vacancy for the unexpired term of the office. (1901, c. 89, ss. 4, 73; Rev., s. 4299; C. S., s. 5920; 1967, c. 775, s. 1.)

§ 163-11. Filling vacancies in the General Assembly. — If a vacancy shall occur in the General Assembly by death, resignation, or otherwise than by expiration of term, the Governor shall immediately appoint for the unexpired part of the term the person recommended by the county executive committee of the political party with which the vacating member was affiliated when elected, it being the party executive committee of the county in which he was resident. Provided, that in the case of a vacancy in the General Assembly by death, resignation, or otherwise than by expiration of term of a member elected or appointed to represent a multi-county district, the Governor shall appoint for the unexpired portion of the term the person recommended by the State House of Representatives district committee or the senatorial district committee of the political party with which the vacating member was affiliated when elected. The Governor shall make the appointment within seven days of receiving the

recommendation of the appropriate committee. If the Governor fails to make the appointment within the required period, he shall be presumed to have made the appointment and the legislative body to which the appointee was recommended is directed to seat the appointee as a member in good standing for the duration of the unexpired term. The county convention or county executive committee of each political party shall elect or appoint at least one member from each county to serve as State House of Representatives district committee member and at least one member from each county to serve as senatorial district committee member. The State House of Representatives district committee and the senatorial district committee shall be made up of at least one member from each county within the district. The State House of Representatives district committee shall recommend an appointee to fill a vacancy in the State House of Representatives and the senatorial district committee shall recommend an appointee to fill a vacancy in the State Senate. This member shall be entitled to cast for his county one vote for each 300 persons or major fraction thereof residing within the county based upon the last decennial census. Each State House of Representatives district committee member and each senatorial district committee member shall be entitled to cast all the votes allotted to his county, but in the event more than one member is elected from each county, then each member shall cast an equal share of the votes allotted to the county. (1901, c. 89, s. 74; Rev., s. 4298; C. S., s. 5919; 1947, c. 505, s. 1; 1953, c. 1191, s. 1; 1967, c. 775, s. 1; 1973, c. 35.)

§ 163-12. Filling vacancy in United States Senate. — Whenever there shall be a vacancy in the office of United States Senator from this State, whether caused by death, resignation, or otherwise than by expiration of term, the Governor shall appoint to fill the vacancy until an election shall be held to fill the office. The Governor shall issue his writ for the election of a Senator to be held at the time of the first election for members of the General Assembly that is held more than 30 days after the vacancy occurs. The person elected shall hold the office for the remainder of the unexpired term. The election shall take effect from the date of the canvassing of the returns. (1913, c. 114, ss. 1, 2; C. S., ss. 6002, 6003; 1929, c. 12, s. 2; 1955, c. 871, s. 6; 1967, c. 775, s. 1.)

§ 163-13. Filling vacancy in United States House of Representatives. — (a) Special Election. — If at any time after expiration of any Congress and before another election, or if at any time after an election, there shall be a vacancy in this State's representation in the House of Representatives of the United States Congress, the Governor shall issue a writ of election, and by proclamation fix the date on which an election to fill the vacancy shall be held in the appropriate congressional district.

(b) Nominating Procedures. — If a congressional vacancy occurs within eight months preceding the next succeeding general election, candidates for the special election to fill the vacancy shall not be nominated in primaries. Instead, nominations may be made by the political party congressional district executive committees in the district in which the vacancy occurs. The chairman and secretary of each political party congressional district executive committee nominating a candidate shall immediately certify his name and party affiliation to the State Board of Elections so that it may be printed on the special election ballots.

If the congressional vacancy occurs more than eight months prior to the next succeeding general election, the Governor shall call a special primary for the purpose of nominating candidates to be voted on in a special election called by the Governor in accordance with the provisions of subsection (a) of this section. Such a primary election shall be conducted in accordance with the general laws governing primaries, except that the closing date for filing notices of candidacy with the State Board of Elections shall be fixed by the Governor in his call for

the special primary. (1901, c. 89, s. 60; Rev., s. 4369; C. S., s. 6007; 1947, c. 505, s. 5; 1967, c. 775, s. 1.)

§§ 163-14 to 163-18: Reserved for future codification purposes.

SUBCHAPTER II. ELECTION OFFICERS.

ARTICLE 3.

State Board of Elections.

§ 163-19. State Board of Elections; appointment; term of office; vacancies; oath of office. — All of the terms of office of the present members of the State Board of Elections shall expire on May 1, 1969, or when their successors in office are appointed and qualified.

The State Board of Elections shall consist of five registered voters whose terms of office shall begin on May 1, 1969, and shall continue for four years, and until their successors are appointed and qualified. The Governor shall appoint the members of this Board and likewise shall appoint their successors every four years at the expiration of each four-year term. Not more than three members of the Board shall be members of the same political party.

Any vacancy occurring in the Board shall be filled by the Governor, and the person so appointed shall fill the unexpired term.

At the first meeting held after new appointments are made, the members of the State Board of Elections shall take the following oath:

"I, ... , do solemnly swear (or affirm) that I will support the Constitution of the United States; that I will be faithful and bear true allegiance to the State of North Carolina, and to the constitutional powers and authorities which are or may be established for the government thereof; that I will endeavor to support, maintain and defend the Constitution of said State, and that I will well and truly execute the duties of the office of member of the State Board of Elections according to the best of my knowledge and ability, according to law, so help me, God."

After taking the prescribed oath, the Board shall organize by electing one of its members chairman and another secretary.

No person shall be eligible to serve as a member of the State Board of Elections who holds any elective or appointive office under the government of the United States, or of the State of North Carolina or any political subdivision thereof. No person who holds any office in a political party, or organization, or who is a candidate for nomination or election to any office, or who is a campaign manager or treasurer of any candidate in a primary or election shall be eligible to serve as a member of the State Board of Elections. (1901, c. 89, ss. 5, 7; Rev., ss. 2760, 4300, 4301; C. S., ss. 5921, 5922; 1933, c. 165, s. 1; 1953, c. 428; 1967, c. 775, s. 1; 1975, c. 286.)

Cross Reference. — For provision that no person shall serve as a member of the State Board of Elections who holds any elective public office or is a candidate for any office in the primary or election, see § 163-30.

Editor's Note. — The 1975 amendment added the last paragraph.

State Government Reorganization. — The State Board of Elections is transferred to the Department of the Secretary of State by § 143A-22, enacted by Session Laws 1971, c. 864.

§ 163-20. Meetings of Board; quorum; minutes. — (a) Call of Meeting. — The State Board of Elections shall meet at the call of the chairman whenever necessary to discharge the duties and functions imposed upon it by this Chapter. The chairman shall call a meeting of the Board upon the written application or applications of any two members thereof. If there is no chairman, or if the

chairman does not call a meeting within three days after receiving a written request or requests from two members, any three members of the Board shall have power to call a meeting of the Board, and any duties imposed or powers conferred on the Board by this Chapter may be performed or exercised at that meeting, although the time for performing or exercising the same prescribed by this Chapter may have expired.

(b) Place of Meeting. — Except as provided in subsection (c), below, the State Board of Elections shall meet in its offices in the City of Raleigh, or at another place in Raleigh to be designated by the chairman. However, subject to the limitation imposed by subsection (c), below, upon the prior written request of any four members, the State Board of Elections shall meet at any other place in the State designated by the four members.

(c) Meetings to Investigate Alleged Violations of This Chapter. — When called upon to investigate or hear sworn alleged violations of this Chapter, the State Board of Elections shall meet and hear the matter in the county in which the violations are alleged to have occurred.

(d) Quorum. — A majority of the members constitutes a quorum for the transaction of business by the State Board of Elections. If any member of the Board fails to attend a meeting, and by reason thereof there is no quorum, the members present shall adjourn from day to day for not more than three days, by the end of which time, if there is no quorum, the Governor may summarily remove any member failing to attend and appoint his successor.

(e) Minutes. — The State Board of Elections shall keep minutes recording all proceedings and findings at each of its meetings. The minutes shall be recorded in a book which shall be kept in the office of the Board in Raleigh. (1901, c. 89, s. 7; Rev., ss. 2760, 4301, 4302; C. S., ss. 5922, 5923; 1933, c. 165, s. 1; 1945, c. 982; 1967, c. 775, s. 1; 1973, c. 793, s. 3; c. 1223, s. 1.)

§ 163-21. Compensation of Board members. — The members of the State Board of Elections shall be compensated for the time they are actually engaged in the discharge of their duties and for their traveling and other expenses necessary and incidental to the discharge of their duties in accordance with the provisions of Chapter 138 of the General Statutes. (1901, c. 89, s. 7; Rev., ss. 2760, 4301; C. S., s. 5922; 1933, c. 165, s. 1; 1967, c. 775, s. 1.)

§ 163-22. Powers and duties of State Board of Elections. — (a) The State Board of Elections shall have general supervision over the primaries and elections in the State, and it shall have authority to make such reasonable rules and regulations with respect to the conduct of primaries and elections as it may deem advisable so long as they do not conflict with any provisions of this Chapter.

(b) From time to time, the Board shall publish and furnish to the county and municipal boards of elections and other election officials a sufficient number of indexed copies of all election laws and Board rules and regulations then in force. It shall also publish, issue, and distribute to the electorate such materials, explanatory or primary and election laws and procedures as the Board shall deem necessary.

(c) The State Board of Elections shall appoint, in the manner provided by law, all members of the county boards of elections and advise them and municipal elections board members as to the proper methods of conducting primaries and elections. The Board shall require such reports from the county and municipal boards and election officers as are provided by law, or as are deemed necessary by the Board, and shall compel observance of the requirements of the election laws by county and municipal boards of elections and other election officers. In performing these duties, the Board shall have the right to hear and act on complaints arising by petition or otherwise, on the failure or neglect of a county or municipal board of elections to comply with any part of the election laws

imposing duties upon such a board. The State Board of Elections shall have power to remove from office any member of a county or municipal board of elections for incompetency, neglect or failure to perform duties, fraud, or for any other satisfactory cause. Before exercising this power, the State Board shall notify the county or municipal board member affected and give him an opportunity to be heard. When any county board member shall be removed by the State Board of Elections, the vacancy occurring shall be filled by the State Board of Elections. When any municipal board member shall be removed by the State Board of Elections, the vacancy occurring shall be filled by the city council of the city appointing members of that board.

(d) The State Board of Elections shall investigate when necessary or advisable, the administration of election laws, frauds and irregularities in elections in any county and municipality and special district, and shall report violations of the election laws to the Attorney General or solicitor or prosecutor of the district for further investigation and prosecution.

(e) The State Board of Elections shall determine, in the manner provided by law, the form and content of ballots, instruction sheets, pollbooks, tally sheets, abstract and return forms, certificates of election, and other forms to be used in primaries and elections. The Board shall furnish to the county and municipal boards of elections registration and pollbooks, cards, blank forms, instruction sheets, and forms necessary for the registration of voters and for holding primaries and elections in the counties. In the preparation and distribution of ballots, pollbooks, abstract and return forms, and all other forms, the State Board of Elections shall call to its aid the Attorney General of the State, and it shall be the duty of the Attorney General to advise and aid in the preparation of these books, ballots, and forms.

(f) The State Board of Elections shall prepare, print, distribute to the county and municipal boards of elections all ballots for use in any primary or election held in the State which the law provides shall be printed and furnished by the State to the counties. The Board shall instruct the county boards of elections as to the printing of county and local ballots.

(g) The State Board of Elections shall certify to the appropriate county boards of elections the names of candidates for district offices who have filed notice of candidacy with the Board and whose names are required to be printed on county ballots.

(h) It shall be the duty of the State Board of Elections to tabulate the primary and election returns, to declare the results, and to prepare abstracts of the votes cast in each county in the State for offices which, according to law, shall be tabulated by the Board.

(i) The State Board of Elections shall make recommendations to the Governor and legislature relative to the conduct and administration of the primaries and elections in the State as it may deem advisable.

(j) Notwithstanding the provisions of any other section of this Chapter, the State Board of Elections is empowered to have access to any ballot boxes and their contents, any voting machines and their contents, any registration records, pollbooks, voter authorization cards or voter lists, any lists of absentee voters, any lists of presidential registrants under the Voting Rights Act of 1965 as amended, and any other voting equipment or similar records, books or lists in any precinct, county, municipality or electoral district over whose elections it has jurisdiction or for whose elections it has responsibility. (1901, c. 89, ss. 7, 11; Rev., ss. 4302, 4305; 1913, c. 138; C. S., ss. 5923, 5926; 1921, c. 181, s. 1; 1923, c. 196; 1933, c. 165, ss. 1, 2; 1945, c. 982; 1953, c. 410, s. 2; 1967, c. 775, s. 1; 1973, c. 793, s. 2; 1975, c. 19, s. 65.)

Editor's Note. — The 1975 amendment corrected an error in the 1973 amendatory act by inserting "or municipal" following "county" in the third, fourth and fifth sentences of subsection (c).

Supervisory and Other Powers. — The State

Board of Elections has general supervision over the primaries and elections in the State, with authority to promulgate legally consistent rules and regulations for their conduct, and to compel the observance of the election laws by county boards of elections, and the duty of the State Board to canvass the returns and declare the county does not affect its supervisory power, which perforce must be exercised prior to the final acceptance of the returns made by the county boards. Burgin v. North Carolina State Bd. of Elections, 214 N.C. 140, 198 S.E. 592 (1938).

The General Assembly has given the State Board of Elections power to supervise primaries and general elections to the end that, insofar as possible, the results in primary and general elections in this State will not be influenced or tainted with fraud, corruption or other illegal conduct on the part of election officials or others. Ponder v. Joslin, 262 N.C. 496, 138 S.E.2d 143 (1964).

The General Assembly has given broad supervisory powers to the State Board of Elections. Ponder v. Joslin, 262 N.C. 496, 138 S.E.2d 143 (1964).

Board May Make Rules and Regulations Not in Conflict with Law. — The General Assembly has conferred upon the State Board of Elections power to make reasonable rules and regulations for carrying into effect the law it was created to administer, but has annexed to the grant of this power the express limitation that such rules and regulations must not conflict with any provisions of such law. It seems clear that this specific restriction would have been inseparably wedded to the authority granted even if the statutes had been silent with respect to it. This is true because the Constitution forbids the legislature to delegate the power to make law to any other body. States' Rights Democratic Party v. State Bd. of Elections, 229 N.C. 179, 49 S.E.2d 379 (1948).

Investigation of Frauds Is Not Limited to Reporting Them for Further Investigation. — The Supreme Court did not construe subdivision (11) of former § 163-10 (subsection (d) of this section) to limit the authority of the State Board of Elections merely to an investigation of alleged "frauds and irregularities in elections in any county," for the sole purpose of making a report of such frauds and irregularities to the Attorney General or solicitor for further investigation and prosecution. Ponder v. Joslin, 262 N.C. 496, 138 S.E.2d 143 (1964).

And State Board May Direct County Board to Amend Returns. — The State Board of Elections is a quasi-judicial agency and may, in a primary or election in a multiple county district, investigate alleged frauds and irregularities in elections in any county upon appeal from a county board or upon a protest filed in apt time with the State Board of Elections, and may take such action as the findings of fact may justify, and may direct a county board of elections to amend its returns in accordance therewith. Ponder v. Joslin, 262 N.C. 496, 138 S.E.2d 143 (1964).

Stated in Clayton v. North Carolina State Bd. of Elections, 317 F. Supp. 915 (E.D.N.C. 1970).

§ 163-22.1. Power of State Board to order new elections. — If the State Board of Elections, acting upon the agreement of at least four of its members, and after holding public hearings on election contests, alleged election irregularities or fraud, or violations of elections laws, determines that a new primary, general or special election should be held, the Board may order that a new primary, general or special election be held, either statewide, or in any counties, electoral districts, special districts, or municipalities over whose elections it has jurisdiction.

Any new primary, general or special election so ordered shall be conducted under applicable constitutional and statutory authority and shall be supervised by the State Board of Elections and conducted by the appropriate elections officials.

The State Board of Elections has authority to adopt rules and regulations and to issue orders to carry out its authority under this section. (1973, c. 793, s. 5.)

§ 163-23. Powers of chairman in execution of Board duties. — In the performance of the duties enumerated in this Chapter, the chairman of the State Board of Elections shall have power to administer oaths, issue subpoenas, summon witnesses, and compel the production of papers, books, records and other evidence. Upon the written request or requests of two or more members of the State Board of Elections, he shall issue subpoenas for designated witnesses or identified papers, books, records and other evidence. In the absence of the chairman or upon his refusal to act, any two members of the State Board

of Elections may issue subpoenas, summon witnesses, and compel the production of papers, books, records and other evidence. In the absence of the chairman or upon his refusal to act, any member of the Board may administer oaths. (1901, c. 89, s. 7; Rev., s. 4302; C. S., s. 5923; 1933, c. 165, s. 1; 1945, c. 982; 1967, c. 775, s. 1; 1973, c. 793, s. 4.)

§ 163-24. Power of State Board of Elections to maintain order. — The State Board of Elections shall possess full power and authority to maintain order, and to enforce obedience to its lawful commands during its sessions, and shall be constituted an inferior court for that purpose. If any person shall refuse to obey the lawful commands of the State Board of Elections or its chairman, or by disorderly conduct in its hearing or presence shall interrupt or disturb its proceedings, it may, by an order in writing, signed by its chairman, and attested by its secretary, commit the person so offending to the common jail of the county for a period not exceeding 30 days. Such order shall be executed by any sheriff or constable to whom the same shall be delivered, or if a sheriff or constable shall not be present, or shall refuse to act, by any other person who shall be deputed by the State Board of Elections in writing, and the keeper of the jail shall receive the person so committed and safely keep him for such time as shall be mentioned in the commitment: Provided, that any person committed under the provisions of this section shall have the right to post a two hundred dollar ($200.00) bond with the clerk of the superior court and appeal to the superior court for a trial on the merits of his commitment. (1901, c. 89, s. 72; Rev., s. 4376; C. S., s. 5977; 1955, c. 871, s. 4; 1967, c. 775, s. 1.)

§ 163-25. Authority of State Board to assist in litigation. — The State Board of Elections shall possess authority to assist any county or municipal board of elections in any matter in which litigation is contemplated or has been initiated, provided, the county or municipal board of elections in such county petitions, by majority resolution, for such assistance from the State Board of Elections and, provided further, that the State Board of Elections determines, in its sole discretion by majority vote, to assist in any such matter. It is further stipulated that the State Board of Elections shall not be authorized under this provision to enter into any litigation in assistance to counties, except in those instances where the uniform administration of Chapter 163 of the General Statutes of North Carolina has been, or would be threatened.

The Attorney General shall provide the State Board of Elections with legal assistance in execution of its authority under this section or, in his discretion, recommend that private counsel be employed. (1969, c. 408, s. 1; 1973, c. 793, s. 6.)

§ 163-26. Executive Secretary-Director of State Board of Elections. — There is hereby created the position of Executive Secretary-Director of the State Board of Elections, who shall perform all duties imposed upon him by statute and such duties as might be assigned to him by the State Board of Election [Elections]. (1973, c. 1272, s. 4.)

§ 163-27. Executive Secretary-Director to be appointed by Board. — The appointment of the Executive Secretary-Director of the State Board of Elections is extended to May 15, 1977, unless removed for proper cause, and thereafter the Board shall appoint an Executive Secretary-Director for a term of four years with compensation to be determined by the Department of Personnel. He shall serve, unless removed for cause, until his successor is appointed. Such Executive Secretary-Director shall be responsible for staffing, administration, execution of the Board's decisions and orders and shall perform such other responsibilities as may be assigned by the Board. In the event of a vacancy, the vacancy shall be filled for the remainder of the term. (1973, c. 1409, s. 3.)

§ 163-28. State Board of Elections independent agency. — The State Board of Elections shall be and remain an independent regulatory and quasi-judicial agency and shall not be placed within any principal administrative department. The State Board of Elections shall exercise its statutory powers, duties, functions, authority, and shall have all powers and duties conferred upon the heads of principal departments under G.S. 143B-10. (1973, c. 1409, s. 2.)

§ 163-29: Reserved for future codification purposes.

ARTICLE 4.

County Boards of Elections.

§ 163-30. County boards of elections; appointments; terms of office; qualifications; vacancies; oath of office; instructional meetings. — In every county of the State there shall be a county board of elections, to consist of three persons of good moral character who are registered voters in the county in which they are to act. Members of county boards of elections shall be appointed by the State Board of Elections on the Tuesday following the first Monday in June, 1975, and every two years thereafter, and their terms of office shall continue for two years from the specified date of appointment and until their successors are appointed and qualified. Not more than two members of the county board of elections shall belong to the same political party.

No person shall serve as a member of the county or State board of elections who holds any elective public office or who is a candidate for any office in the primary or election.

No person, while acting as a member of a county board of elections, shall serve as a State, district or county campaign manager or treasurer of any candidate in a primary or election or as a chairman of any State, district or county political organization.

The State chairman of each political party shall have the right to recommend to the State Board of Elections three registered voters in each county for appointment to the board of elections for that county. If such recommendations are received by the Board 15 or more days before the Tuesday following the first Monday in June, 1975, and each two years thereafter, it shall be the duty of the State Board of Elections to appoint the county boards from the names thus recommended.

Whenever a vacancy occurs in the membership of a county board of elections for any cause the State chairman of the political party of the vacating member shall have the right to recommend two registered voters of the affected county for such office, and it shall be the duty of the State Board of Elections to fill the vacancy from the names thus recommended.

At the meeting of the county board of elections required by G.S. 163-31 to be held on Tuesday following the third Monday in June in the year of their appointment the members shall take the following oath of office:

"I, ... , do solemnly swear (or affirm) that I will support the Constitution of the United States; that I will be faithful and bear true allegiance to the State of North Carolina and to the constitutional powers and authorities which are or may be established for the government thereof; that I will endeavor to support, maintain and defend the Constitution of said State, not inconsistent with the Constitution of the United States; and that I will well and truly execute the duties of the office of member of the . . . . . County Board of Elections to the best of my knowledge and ability, according to law; so help me God."

Each member of the county board of elections shall attend each instructional meeting held pursuant to G.S. 163-46, unless excused for good cause by the chairman of the board, and shall be paid the sum of twenty-five dollars ($25.00) per day for attending each of those meetings. (1901, c. 89, ss. 6, 11; Rev., ss.

4303, 4304, 4305; 1913, c. 138; C. S., ss. 5924, 5925, 5926; 1921, c. 181, s. 1; 1923, c. 111, s. 1; c. 196; 1933, c. 165, s. 2; 1941, c. 305, s. 1; 1945, c. 758, ss. 1, 2; 1949, c. 672, s. 1; 1953, c. 410, ss. 1, 2; c. 1191, s. 2; 1955, c. 871, s. 1; 1957, c. 182, s. 1; 1959, c. 1203, s. 1; 1967, c. 775, s. 1; 1969, c. 208, s. 1; 1973, c. 793, s. 7; c. 1094; c. 1344, s. 4; 1975, c. 19, s. 66; c. 159, s. 1.)

Editor's Note. — The first 1975 amendment corrected errors by substituting "take" for "taking" preceding "the following oath of office" in the present sixth paragraph and by inserting "dollars" following "twenty-five" near the end of the last paragraph.

The second 1975 amendment substituted "Tuesday following the first Monday in June, 1975, and every two years thereafter" for "Friday before the tenth Saturday preceding each primary election" in the second sentence of the first paragraph, inserted "or State" in the second paragraph, substituted "Tuesday following the first Monday in June, 1975, and each two years thereafter" for "tenth Saturday before the primary is to be held" in the fourth paragraph, deleted "other than removal by the State Board of Elections" following "any cause" near the beginning of the first sentence of the fifth paragraph and substituted "Tuesday following the third Monday in June in the year of their appointment" for "the Monday following the ninth Saturday before the primary" in the first sentence of the sixth paragraph. The amendment also made minor changes in wording in the sixth paragraph, in the form of oath and in the last paragraph.

Session Laws 1975, c. 159, s. 5, provides: "The terms of office for all members of county boards of elections, serving at the time of ratification of this act, shall expire on June 17, 1975, at 12 o'clock noon." The act was ratified April 23, 1975.

Member of County Board of Elections May Not Also Hold an Elective Office. — See opinion of Attorney General to Mr. John D. Mackie, 41 N.C.A.G. 793 (1972).

§ 163-31. Meetings of county boards of elections; quorum; minutes. — In each county of the State the members of the county board of elections shall meet at the courthouse or board office at noon on the Tuesday following the third Monday in June in the year of their appointment by the State Board of Elections and, after taking the oath of office provided in G.S 163-30, they shall organize by electing one member chairman and another member secretary of the county board of elections. On the Tuesday following the first Monday in August of the year in which they are appointed the county board of elections shall meet and appoint precinct registrars and judges of elections. The board may hold other meetings at such times as the chairman of the board, or any two members thereof, may direct, for the performance of duties prescribed by law. A majority of the members shall constitute a quorum for the transaction of board business. The chairman shall notify, or cause to be notified, all members regarding every meeting to be held by the board.

The county board of elections shall keep minutes recording all proceedings and findings at each of its meetings. The minutes shall be recorded in a book which shall be kept in the board office and it shall be the responsibility of the secretary, elected by the board, to keep the required minute book current and accurate. The secretary of the board may designate the executive secretary to record and maintain the minutes under his supervision. (1901, c. 89, s. 11; Rev., ss. 4304, 4306; C. S., ss. 5925, 5927; 1921, c. 181, s. 2; 1923, c. 111, s. 1; 1927, c. 260, s. 1; 1933, c. 165, s. 2; 1941, c. 305, s. 1; 1945, c. 758, s. 2; 1953, c. 410, s. 1; c. 1191, s. 2; 1957, c. 182, s. 1; 1959, c. 1203, s. 1; 1966, Ex. Sess., c. 5, s. 2; 1967, c. 775, s. 1; 1969, c. 208, s. 2; 1975, c. 159, s. 2.)

Editor's Note. — The 1975 amendment, in the first paragraph, substituted "Tuesday following the third Monday in June in the year of their appointment by the State Board of Elections" for "Monday following the ninth Saturday before each primary election" in the first sentence, substituted "Tuesday following the first Monday in August of the year in which they are appointed" for "Monday following the seventh Saturday before each primary election" in the second sentence, deleted "and places" following "times" near the beginning of the third sentence and added the last sentence. In the second paragraph, the amendment

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substituted the language beginning "and it shall be the responsibility" for "if there be one, otherwise, the minute book shall remain in the custody of the secretary of the board" at the end of the second sentence and added the third sentence.

Session Laws 1975, c. 159, s. 6, provides: "The terms of office for all precinct election officials, serving at the time of ratification of this act, shall expire at 12 o'clock noon on August 5, 1975." The act was ratified April 23, 1975.

§ 163-32. Compensation of members of county boards of elections. — In full compensation of their services, members of the county board of elections (including the chairman) shall be paid by the county twenty-five dollars ($25.00) per day for the time they are actually engaged in the discharge of their duties, together with reimbursement of expenditures necessary and incidental to the discharge of their duties. The per diem payment shall be prorated if a board member is not actually engaged in the discharge of his duties for a full day. For the purposes of this section, a full day consists of five hours. In its discretion, the board of county commissioners of any county may pay the chairman and members of the county board of elections compensation in addition to the per diem and expense allowance provided in this paragraph.

In all counties the board of elections shall pay its clerk, assistant clerks, and other employees such compensation as it shall fix within budget appropriations. Counties which adopt full-time and permanent registration shall have authority to pay executive secretaries and special registration commissioners whatever compensation they may fix within budget appropriations. (1901, c. 89, s. 11; Rev., s. 4303; C. S., s. 5925; 1923, c. 111, s. 1; 1933, c. 165, s. 2; 1941, c. 305, s. 1; 1945, c. 758, s. 2; 1953, c. 410, s. 1; c. 843; c. 1191, s. 2; 1955, c. 800; 1957, c. 182, s. 1; 1959, c. 1203, s. 1; 1963, c. 303, s. 1; 1967, c. 775, s. 1; 1971, c. 1166, s. 1; 1973, c. 793, s. 8; c. 1344, s. 5.)

Local Modification to Former § 163-12. — Hyde, Iredell and Nash: 1941, c. 305, s. 2.

§ 163-33. Powers and duties of county boards of elections. — The county boards of elections within their respective jurisdictions shall exercise all powers granted to such boards in this Chapter, and they shall perform all the duties imposed upon them by law, which shall include the following:

(1) To make and issue such rules, regulations, and instructions, not inconsistent with law or the rules established by the State Board of Elections, as it may deem necessary for the guidance of election officers and voters.

(2) To appoint all registrars, judges, assistants, and other officers of elections, and designate the precinct in which each shall serve; and, after notice and hearing, to remove any registrar, judge of elections, assistant, or other officer of election appointed by it for incompetency, failure to discharge the duties of office, failure to qualify within the time prescribed by law, fraud, or for any other satisfactory cause. In exercising the powers and duties of this subdivision, the board may act only when a majority of its members are present at any meeting at which such powers or duties are exercised.

(3) To investigate irregularities, nonperformance of duties, and violations of laws by election officers and other persons, and to report violations to the State Board of Elections. In exercising the powers and duties of this subdivision, the board may act only when a majority of its members are present at any meeting at which such powers or duties are exercised.

(4) As provided in G.S. 163-128, to establish, define, provide, rearrange, discontinue, and combine election precincts as it may deem expedient,

and to fix and provide for places of registration and for holding primaries and elections.

(5) To review, examine, and certify the sufficiency and validity of petitions and nomination papers.

(6) To advertise and contract for the printing of ballots and other supplies used in registration and elections; and to provide for the delivery of ballots, pollbooks, and other required papers and materials to the voting places.

(7) To provide for the purchase, preservation, and maintenance of voting booths, ballot boxes, registration and pollbooks, maps, flags, cards of instruction, and other forms, papers, and equipment used in registration, nominations, and elections; and to cause the voting places to be suitably provided with voting booths and other supplies required by law.

(8) To provide for the issuance of all notices, advertisements, and publications concerning elections required by law. In addition, the county board of elections shall give notice at least 20 days prior to the date on which the registration books or records are closed that there will be a primary, general or special election, the date on which it will be held, and the hours the voting places will be open for voting in that election. The notice also shall describe the nature and type of election, and the issues, if any, to be submitted to the voters at that election. Notice shall be given by advertisement at least once weekly during the 20-day period in a newspaper having general circulation in the county and by posting a copy of the notice at the courthouse door. This subdivision shall not apply in the case of bond elections called under the provisions of Chapter 159.

(9) To receive the returns of primaries and elections, canvass the returns, make abstracts thereof, transmit such abstracts to the proper authorities, and to issue certificates of election to county officers and members of the General Assembly except those elected in districts composed of more than one county.

(10) To appoint and remove the board's clerk, assistant clerks, and other employees.

(11) To prepare and submit to the proper appropriating officers a budget estimating the cost of elections for the ensuing fiscal year.

(12) To perform such other duties as may be prescribed by this Chapter or the rules of the State Board of Elections.

(13) Notwithstanding the provisions of any other section of this Chapter, to have access to any ballot boxes and their contents, any voting machines and their contents, any registration records, pollbooks, voter authorization cards or voter lists, any lists of absentee voters, any lists of presidential registrants under the Voting Rights Act of 1965 as amended, and any other voting equipment or similar records, books or lists in any precinct or municipality over whose elections it has jurisdiction or for whose elections it has responsibility. (1901, c. 89, s. 11; Rev., s. 4306; C. S., s. 5927; 1921, c. 181, s. 2; 1927, c. 260, s. 1; 1933, c. 165, s. 2; 1966, Ex. Sess., c. 5, s. 2; 1967, c. 775, s. 1; 1973, c. 793, ss. 9-11.)

Board Must Act as Body. — When the State Board of Elections instructs certain county boards of elections to amend their respective returns in accordance with the State Board's rulings on protests challenging the validity of certain ballots, it is necessary for the county boards to hear the challenges and make the amended returns, acting as a body in a duly assembled legal session, and action taken and amended returns made by two members of the county board of each county, respectively, without notice to the third member, are void as a matter of law. Burgin v. North Carolina State Bd. of Elections, 214 N.C. 140, 198 S.E. 592 (1938).

§ 163-34. Power of county board of elections to maintain order. — Each county board of elections shall possess full power to maintain order, and to enforce obedience to its lawful commands during its sessions, and shall be constituted an inferior court for that purpose. If any person shall refuse to obey the lawful commands of any county board of elections, or by disorderly conduct in its hearing or presence shall interrupt or disturb its proceedings, it may, by an order in writing, signed by its chairman, and attested by its secretary, commit the person so offending to the common jail of the county for a period not exceeding 30 days. Such order shall be executed by any sheriff or constable to whom the same shall be delivered, or if a sheriff or constable shall not be present, or shall refuse to act, by any other person who shall be deputed by the county board of elections in writing, and the keeper of the jail shall receive the person so committed and safely keep him for such time as shall be mentioned in the commitment: Provided, that any person committed under the provisions of this section shall have the right to post a two hundred dollar ($200.00) bond with the clerk of the superior court and appeal to the superior court for a trial on the merits of his commitment. (1901, c. 89, s. 72; Rev., s. 4376; C. S., s. 5977; 1955, c. 871, s. 4; 1967, c. 775, s. 1.)

§ 163-35. Executive secretary to county board of elections; appointment; compensation; duties; dismissal. — (a) In the event a vacancy occurs in the office of county executive secretary in any of the county boards of elections in this State, the county board of elections shall submit the name of the person they recommend to fill the vacancy to the executive secretary-director of the State Board of Elections, and the procedure for employment thereafter shall be the same as the procedure hereinafter set out for termination of employment. Persons who shall not serve as an executive secretary include the following:

(1) Any person who holds any elective public office.
(2) Any person who is a candidate for any office in a primary or election.
(3) Any person who holds any office in a political party or committee thereof.
(4) Any person who is a campaign chairman or finance chairman for any candidate for public office, or who serves on any campaign committee for any candidate.
(5) Any person who has been convicted of a felony in any court unless such person's citizenship has been restored pursuant to the provisions of Chapter 13 of the General Statutes of North Carolina.
(6) Any person who has been removed by the State Board of Elections following a public hearing at any time.
(7) Any person who is a spouse, child, spouse of child, sister, or brother of any member of the county board of elections by whom such person would be employed or any person who is a member of said board.

(b) Termination of Employment. — The county board of elections may, by petition signed by a majority of the board, recommend to the Executive Secretary-Director of the State Board of Elections the termination of the employment of the county board's executive secretary. The petition shall clearly state the reasons for termination. Upon receipt of the petition, the Executive Secretary-Director shall forward a copy of same by certified mail, return receipt requested, to the county executive secretary involved. The county executive secretary may reply to said petition within 15 days of receipt thereof. Within 20 days of receipt of the county executive secretary's reply or the expiration of the time period allowed for the filing of said reply, the State Executive Secretary-Director shall render a decision as to the termination or retention of the county executive secretary. The decision of the Executive Secretary-Director of the State Board of Elections shall be final unless such decision shall, within

20 days from the official date on which it was made, be deferred by the State Board of Elections, in which event a public hearing shall be conducted by said State Board or any single member designated by the remaining four members, in the county seat of the county involved. Following the conduct of such public hearing and a decision by the State Board of Elections, the chairman of said Board shall notify the Executive Secretary-Director of the State Board of Elections, in writing, of the decision resulting from the public hearing. If the decision, rendered by the State Board of Elections, results in concurrence with the decision entered by the Executive Secretary-Director, the decision becomes final. If the decision rendered by the Board is contrary to that entered by the Executive Secretary-Director, then the Executive Secretary-Director shall, within 15 days from the written notification, enter an amended decision consistent with the results of the decision by the State Board of Elections. The employment of any executive secretary presently employed or hereafter employed shall not be terminated except in compliance with the procedures herein prescribed. For the purposes of this subsection the individual designated by the remaining four members of the State Board shall possess the same authority conferred upon the chairman pursuant to G.S. 163-22(c).

(c) Compensation. — The executive secretary shall be paid compensation as recommended by the county board of elections and approved by the respective boards of county commissioners. Beginning July 1, 1975, the board of county commissioners in every county shall compensate the executive secretary of the county board of elections with a minimum payment of twenty dollars ($20.00) per day for each day the executive secretary is in attendance to her prescribed duties. For the purposes of this section not less than four hours nor more than eight hours shall constitute one day. In addition to the minimum compensation required herein, the executive secretary of the county board of elections shall be granted the same vacation leave, sick leave and petty leave as granted to all other county employees in similar positions. It shall also be the responsibility of the board of county commissioners to appropriate sufficient funds to compensate a replacement for the executive secretary when authorized leave is taken.

(d) Duties. — The executive secretary may be empowered by the county board of elections to perform such administrative duties as might be assigned by the board and the chairman. In addition to any administrative duties the executive secretary shall be authorized to receive applications for registration and in pursuit of such authority shall be given the oath required of all registrars. In addition, the executive secretary may be authorized by the chairman to execute the responsibilities devolving upon the chairman provided such authorization by any chairman shall in no way transfer the responsibility for compliance with the law. The chairman shall remain liable for proper execution of all matters specifically assigned to him by law.

The county board of elections shall have authority, by resolution adopted by majority vote, to delegate to its executive secretary so much of the administrative detail of the election functions, duties, and work of the board, its officers and members, as is now, or may hereafter be vested in the board or its members as the county board of elections may see fit: Provided, that the board shall not delegate to an executive secretary any of its quasi-judicial or policy-making duties and authority. Within the limitations imposed upon him by the resolution of the county board of elections, the acts of a properly appointed executive secretary shall be deemed to be the acts of the county board of elections, its officers and members. (1953, c. 843; 1955, c. 800; 1963, c. 303, s. 1; 1967, c. 775, s. 1; 1971, c. 1166, s. 2; 1973, c. 859, s. 1; 1975, c. 211, ss. 1, 2; c. 713.)

Editor's Note. — The first 1975 amendment rewrote subsection (b). The second 1975 amendment added all of subsection (c) following the first sentence.

§§ 163-36 to 163-40: Reserved for future codification purposes.

Article 5.

Precinct Election Officials.

§ 163-41. Precinct registrars and judges of election; special registration commissioners; appointment; terms of office; qualifications; vacancies; oaths of office. — (a) Appointment of Registrar and Judges. — At the meeting required by G.S. 163-31 to be held on the Tuesday following the first Monday in August of the year in which they are appointed, the county board of elections shall appoint one person to act as registrar and two other persons to act as judges of election for each precinct in the county. Their terms of office shall continue for two years from the specified date of appointment and until their successors are appointed and qualified. It shall be their duty to conduct the primaries and elections within their respective precincts. Persons appointed to these offices must be registered voters and residents of the precinct for which appointed, of good repute, and able to read and write. Not more than one judge in each precinct shall belong to the same political party as the registrar, provided, however, that in a primary election in which only one political party participates, only the judge and assistants, appointed pursuant to G.S. 163-42, of the political party participating in said primary shall serve, along with the registrar, for that particular primary. For purposes of this section, the second primary provided for in G.S. 163-111 shall be considered part of the first primary and not a separate primary election.

No person holding any office or place of trust or profit under the government of the United States, or of the State of North Carolina, or any political subdivision thereof, shall be eligible to appointment as a precinct election official: Provided, that nothing herein contained shall extend to officers in the militia, notaries public, commissioners of public charities, or commissioners for special purposes.

No person who is a candidate for nomination or election shall be eligible to serve as a registrar or judge of election. No person who is a chairman, vice-chairman, secretary, treasurer, precinct chairman, committeeman or other officer of any political party in North Carolina that is officially recognized under the provisions of G.S. 163-96 shall be eligible to serve as a registrar or judge of election.

The chairman of each political party in the county where possible shall recommend three registered voters in each precinct who are otherwise qualified, are residents of the precinct, have good moral character, and are able to read and write, for appointment as registrar in the precinct, and he shall also recommend where possible the same number of similarly qualified voters for appointment as judges of election in that precinct. If such recommendations are received by the county board of elections no later than the fifth day preceding the date on which appointments are to be made, it must make precinct appointments from the names of those recommended.

If, at any time other than on the day of a primary or election, a registrar or judge of election shall be removed from office, or shall die or resign, or if for any other cause there be a vacancy in a precinct election office, the chairman of the county board of elections shall appoint another in his place, promptly notifying him of his appointment. In filling such a vacancy, the chairman shall appoint a person who belongs to the same political party as that to which the vacating member belonged when appointed.

If any person appointed registrar shall fail to be present at the voting place at the hour of opening the polls on primary or election day, or if a vacancy in that office shall occur on primary or election day for any reason whatever, the precinct judges of election shall appoint another to act as registrar until such time as the chairman of the county board of elections shall appoint to fill the vacancy. If a judge of election shall fail to be present at the voting place at the hour of opening the polls on primary or election day, or if a vacancy in that office shall occur on primary or election day for any reason whatever, the registrar shall appoint another to act as judge until such time as the chairman of the county board of elections shall appoint to fill the vacancy. Persons appointed to fill vacancies shall, whenever possible, be chosen from the same political party as the person whose vacancy is being filled, and all such appointees shall be sworn before acting.

Before entering upon his duties each registrar shall take and subscribe the following oath of office to be administered by an officer authorized to administer oaths and file it with the county board of elections:

"I, ..., do solemnly swear (or affirm) that I will support the Constitution of the United States; that I will be faithful and bear true allegiance to the State of North Carolina, and to the constitutional powers and authorities which are or may be established for the government thereof; that I will endeavor to support, maintain and defend the Constitution of said State not inconsistent with the Constitution of the United States; that I will administer the duties of my office as registrar of . . . . . precinct, ... County, without fear or favor; that I will not in any manner request or seek to persuade or induce any voter to vote for or against any particular candidate or proposition; and that I will not keep or make any memorandum of anything occurring within a voting booth, unless I am called upon to testify in a judicial proceeding for a violation of the election laws of this State; so help me, God."

Before the opening of the polls on the morning of the primary or election, the registrar shall administer the oath set out in the preceding paragraph to each judge of election and assistant, substituting for the word "registrar" the words "judge of elections in" or "assistant in," whichever is appropriate.

(b) Appointment of Special Registration Commissioners. — In counties which adopt full-time and permanent registration the county board of elections may, in its discretion, in addition to registrars, select persons of good repute to act as special registration commissioners. Persons appointed as special registration commissioners shall be appointed at the same time as required by G.S. 163-41 for the appointment of registrars and shall serve for two years, but the county board of elections may terminate their authority at any time without cause.

In counties authorized to appoint special registration commissioners the chairman of each political party shall have the right to recommend registered voters who are residents of the county for appointment as special registration commissioners. If such recommendations are received by the county board of elections at least five days prior to the date on which such appointments must be made the county board should make appointments from the names thus recommended, although it shall not be required to do so.

Before entering upon his duties each special registration commissioner shall take and subscribe the following oath of office to be administered by an officer authorized to administer oaths and file it with the county board of elections:

"I, ..., do solemnly swear (or affirm) that I will support the Constitution of the United States; that I will be faithful and bear true allegiance to the State of North Carolina, and to the constitutional powers and authorities which are or may be established for the government thereof; that I will endeavor to support, maintain and defend the Constitution of said State, not inconsistent with the Constitution of the United States; that I will administer the duties of my office as special registration commissioner for . . . . . County without

fear or favor, to the best of my knowledge and ability, according to law; so help me, God."

(c) Publication of Names of Precinct Officials. — Immediately after appointing registrars, judges, and special registration commissioners as herein provided, the county board of elections shall publish the names of the persons appointed in some newspaper having general circulation in the county or, in lieu thereof, at the courthouse door, and shall notify each person appointed of his appointment, either by letter or by having a notice served upon him by the sheriff. (1901, c. 89, ss. 8, 9, 16; Rev., ss. 4307, 4308, 4309; C. S., ss. 5928, 5929, 5930; 1923, c. 111, s. 2; 1929, c. 164, s. 18; 1933, c. 165, s. 3; 1947, c. 505, s. 2; 1953, c. 843; c. 1191, s. 3; 1955, c. 800; 1957, c. 784, s. 1; 1963, c. 303, s. 1; 1967, c. 775, s. 1; 1973, c. 435; c. 1223, s. 2; 1975, c. 159, ss. 3, 4; c. 711; c. 807, s. 1.)

Local Modification to Former § 163-15. — Durham: 1937, c. 299.

Editor's Note. — The first 1975 amendment, in the first paragraph of subsection (a), substituted "Tuesday following the first Monday in August of the year in which they are appointed" for "seventh Saturday before each primary election" in the first sentence and substituted the language beginning "only the judge and assistants" for "all of the precinct officials shall be chosen from that party" at the end of the next-to-last sentence. In subsection (b), the amendment inserted "in its discretion" near the middle of the first sentence and rewrote the second sentence of the first paragraph and substituted "authorized to appoint special registration commissioners" for "which adopt full-time and permanent registration" in the first sentence and "at least five days prior to the date on which such appointments must be made the county board should" for "before the seventh Saturday before the primary is to be held, that board may" in the second sentence of the second paragraph.

The second 1975 amendment substituted "no later than the fifth day preceding the date on which appointments are to be made" for "before the seventh Saturday before the primary is to be held" in the last sentence of the fourth paragraph of subsection (a).

The third 1975 amendment, effective July 1, 1975, added the second sentence of the third paragraph of subsection (a).

Session Laws 1975, c. 807, s. 2, provides: "This act shall not apply to persons previously appointed to serve as precinct registrars or judges of election for terms ending before the 1976 primary election."

The board of elections had no authority to appoint two registrars from the same party in the same voting precinct. Mullen v. Morrow, 123 N.C. 773, 31 S.E. 1003 (1898).

Appointment of Registrars in Violation of Residence Requirements. — Where neither the regular registrar of a precinct nor the person appointed registrar for one day under former § 163-17 resided in the area in which the special annexation election was held, nevertheless, they were at least de facto registrars during the time they served as such, and in the absence of any evidence that the result of the election was affected thereby, their appointments would be deemed irregularities but insufficient to void the election. McPherson v. City Council, 249 N.C. 569, 107 S.E.2d 147 (1959).

§ 163-41.1. Certain relatives prohibited from serving together. — (a) The following categories of relatives are prohibited from serving as precinct officials of the same precinct: spouse, child, spouse of a child, sister or brother.

(b) Temporary Prohibition. — No precinct official who is the wife, husband, son or daughter of any candidate for nomination or election may serve as precinct official during any primary or election in which such candidate participates. The county board of elections shall temporarily disqualify any such official for the specific primary or election involved and shall have authority to appoint a substitute official, from the same political party, to serve only during the primary or election at which such conflict exists. (1975, c. 745.)

§ 163-42. Assistants at polls; appointment; term of office; qualifications; oath of office. — Each county board of elections shall appoint at least two assistants for each precinct within the county, and in its discretion may appoint more than two, to aid the registrar and the judges. Assistants shall, in all cases, be qualified voters of the precinct for which appointed, and shall serve for the primary or election for which appointed and no longer. Each of the required two

precinct assistants in each precinct shall be a registered voter of a different political party. Where there are more than two precinct assistants to be appointed in a precinct, no more than a majority of them shall be registered voters of the same political party, and if there is an odd number of precinct assistants to be appointed in that precinct. However, if these requirements cannot be met because there is an insufficient number of voters of the political parties available for appointment as precinct assistants, the county board of elections shall, nevertheless, secure as much bipartisan representation among precinct assistants as circumstances in the precinct permit, taking into account the recommendations received by it from the party chairmen and the number of precinct assistants to be appointed.

The chairman of each political party in the county shall have the right to recommend from three to 10 registered voters in each precinct for appointment as precinct assistants in that precinct. If the recommendations are received by it before the seventh Saturday before the primary is to be held, the board shall make appointments of the precinct assistants for each precinct from the names thus recommended.

No person who is a candidate for nomination or election shall be eligible to serve as an assistant.

In all precincts, whether using voting machines or paper ballots, the county board of elections may appoint one precinct assistant for each 300 voters registered in that precinct in addition to the two required precinct assistants.

Before entering upon the duties of the office, each assistant shall take the oath prescribed in G.S. 163-41(a) to be administered by the registrar of the precinct for which the assistant is appointed. (1929, c. 164, s. 35; 1933, c. 165, s. 24; 1953, c. 1191, s. 3; 1967, c. 775, s. 1; 1973, c. 793, s. 95; c. 1359, ss. 1-3; 1975, c. 19, s. 67.)

Editor's Note. — The 1975 amendment corrected an error in the first 1973 amendatory act by substituting "election" for "elections" in the third paragraph.

The fourth sentence of the first paragraph in the section seems to be incomplete, but is set out exactly as it appears in the second 1973 act.

Appointment of Assistants in Each Precinct. — See opinion of Attorney General to Mr. Alex Brock, Executive Secretary, State Board of Elections, 40 N.C.A.G. 291 (1970).

§ 163-43. Ballot counters; appointment; qualifications; oath of office. — The county board of elections of any county may authorize the use of precinct ballot counters to aid the registrars and judges of election in the counting of ballots in any precinct or precincts within the county. The county board of elections shall appoint the ballot counters it authorizes for each precinct or, in its discretion, the board may delegate authority to make such appointments to the precinct registrar, specifying the number of ballot counters to be appointed for each precinct.

Upon acceptance of appointment, each ballot counter shall appear before the precinct registrar at the voting place immediately at the close of the polls on the day of the primary or election and take the following oath to be administered by the registrar:

"I, ... , do solemnly swear (or affirm) that I will support the Constitution of the United States; that I will be faithful and bear true allegiance to the State of North Carolina, and to the constitutional powers and authorities which are or may be established for the government thereof; that I will endeavor to support, maintain and defend the Constitution of said State not inconsistent with the Constitution of the United States; that I will honestly discharge the duties of ballot counter in . . . . . precinct, ... County for primary (or election) held this day, and that I will fairly and honestly tabulate the votes cast in said primary (or election); so help me, God." The names and addresses

of all ballot counters serving in any precinct, whether appointed by the county board of elections or by the registrar, shall be reported by the registrar to the county board of elections at the county canvass following the primary or election. (1953, c. 843; 1955, c. 800; 1963, c. 303, s. 1; 1967, c. 775, s. 1.)

§ 163-44: Repealed by Session Laws 1973, c. 793, s. 13.

§ 163-45. Observers; appointment. — The chairman of each political party in the county shall have the right to appoint two observers to attend each voting place at each primary and election: Provided, that in a primary this right shall not extend to the chairman of a political party unless that party is participating in the primary. In any election in which an independent candidate is named on the ballot, he or his campaign manager shall have the right to appoint two observers for each voting place. Observers serve also as challengers. Persons appointed as observers must be registered voters of the precinct for which appointed and must have good moral character. Observers shall take no oath of office.

Individuals authorized to appoint observers must submit in writing to the registrar of each precinct a signed list of the observers appointed for that precinct. Individuals authorized to appoint observers must, prior to 10:00 a.m. on the fifth day prior to any primary or general election, submit in writing to the chairman of the county board of elections two signed copies of a list of observers appointed by them, designating the precinct for which each observer is appointed. Before the opening of the voting place on the day of a primary or general election, the chairman shall deliver one copy of the list to the registrar for each affected precinct. He shall retain the other copy. The chairman, or the registrar and judges for each affected precinct, may for good cause reject any appointee and require that another be appointed. The names of any persons appointed in place of those persons rejected shall be furnished in writing to the registrar of each affected precinct no later than the time for opening the voting place on the day of any primary or general election, either by the chairman of the county board of elections or the person making the substitute appointment.

An observer shall do no electioneering at the voting place, and he shall in no manner impede the voting process or interfere or communicate with or observe any voter in casting his ballot, but, subject to these restrictions, the registrar and judges of elections shall permit him to make such observation and take such notes as he may desire. (1929, c. 164, s. 36; 1953, c. 843; 1955, c. 800; c. 871, s. 7; 1959, c. 616, s. 2; 1963, c. 303, s. 1; 1967, c. 775, s. 1; 1973, c. 793, ss. 14, 94.)

§ 163-46. Compensation of precinct officials and assistants. — The precinct registrar shall be paid the sum of twenty-five dollars ($25.00) per day for his services on the day of a primary, special or general election. Judges of election shall each be paid the sum of twenty dollars ($20.00) per day for their services on the day of a primary, special or general election. Assistants, appointed pursuant to G.S. 163-42, shall each be paid the sum of fifteen dollars ($15.00) per day for their services on the day of a primary, special or general election. Ballot counters appointed pursuant to G.S. 163-43 shall be paid a minimum of five dollars ($5.00) for their services on the day of a primary, general or special election.

Registrars shall be paid the sum of twenty dollars ($20.00) per day and judges shall be paid the sum of fifteen [dollars] ($15.00) per day for attendance at the county canvass, pursuant to G.S. 163-173; or for attending the polling place for the purpose of registering voters upon instruction from the chairman of the county board of elections.

The chairman of the county board of elections, along with the executive secretary, shall conduct an instructional meeting prior to each primary and general election which shall be attended by each registrar and judge of election, unless excused by the chairman, and such precinct election officials shall be paid

the sum of fifteen dollars ($15.00) for attending the instructional meetings required by this section.

In its discretion, the board of county commissioners of any county may provide funds with which the county board of elections may pay registrars, judges, assistants, and ballot counters in addition to the amounts specified in this section. Observers shall be paid no compensation for their services.

A person appointed to serve as registrar or judge of election when a previously appointed registrar or judge fails to appear at the voting place or leaves his post on the day of an election or primary, shall be paid the same compensation as the registrar or judge appointed prior to that date. (1901, c. 89, s. 42; Rev., s. 4311; C. S., s. 5932; 1927, c. 260, s. 2; 1931, c. 254, s. 16; 1933, c. 165, s. 3; 1935, c. 421, s. 1; 1939, c. 264, s. 1; 1941, c. 304, s. 1; 1945, c. 758, s. 3; 1947, c. 505, s. 11; 1951, c. 1009, s. 1; 1953, c. 843; 1955, c. 800; 1957, c. 182, s. 2; 1963, c. 303, s. 1; 1967, c. 775, s. 1; 1969, c. 24; 1971, c. 604; 1973, c. 793, ss. 15, 16, 94.)

Local Modification. — Richmond: 1969, c. 507.

Local Modification to Former § 163-20. — Beaufort, Chowan, Person: 1941, c. 304, s. 2; Bladen, Wake: 1935, c. 421; Hyde: 1935, c. 421; 1941, c. 304, s. 2; Lincoln: 1963, c. 874; Mecklenburg: 1937, c. 382; Watauga: 1939, c. 264.

§ 163-47. Powers and duties of registrars and judges of election. — (a) The registrars and judges of election shall conduct the primaries and elections within their respective precincts fairly and impartially, and they shall enforce peace and good order in and about the place of registration and voting. On the day of each primary and general and special election, the precinct registrar and judges shall remain at the voting place from the time fixed by law for the commencement of their duties there until they have completed all those duties, and they shall not separate nor shall any one of them leave the voting place except for unavoidable necessity.

(b) The registrar shall have in his charge the actual registration of voters within his precinct and shall not delegate this responsibility. On the days required by law, he shall attend the voting place for the registration of new voters and for hearing challenges, but in the performance of these duties the registrar shall be subject to the observance of such reasonable rules and regulations as the county board of elections may prescribe, not inconsistent with law. On the day of an election or primary, the registrar shall have charge of the registration book for the purpose of passing on the registration of persons who present themselves at the polls to vote.

(c) The registrars and judges shall hear challenges of the right of registered voters to vote as provided by law.

(d) The registrars and judges shall count the votes cast in their precincts and make such returns of the same as is provided by law.

(e) The registrars and judges shall make such an accounting to the chairman of the county board of elections for ballots and for election supplies as is required by law.

(f) The registrar and judges of election shall act by a majority vote on all matters not assigned specifically by law to the registrar or to a judge. (1901, c. 89, s. 41; Rev., s. 4312; C. S., s. 5933; 1933, c. 165, s. 3; 1939, c. 263, s. 3½; 1947, c. 505, s. 3; 1967, c. 775, s. 1; 1973, c. 793, s. 17.)

Absence of Judges. — It was held under a former statute that in the absence of fraud it is not material to the validity of an election that the persons appointed judges to hold it electioneered, or were absent from their posts at different times during the day. Wilson v. Peterson, 69 N.C. 113 (1873).

§ 163-48. Maintenance of order at place of registration and voting. — The registrar and judges of election shall enforce peace and good order in and about the place of registration and voting. They shall especially keep open and unobstructed the place at which voters or persons seeking to register or vote have access to the place of registration and voting. They shall prevent and stop improper practices and attempts to obstruct, intimidate, or interfere with any person in registering or voting. They shall protect challenger and witnesses against molestation and violence in the performance of their duties, and they may eject from the place of registration or voting any challenger or witness for violation of any provisions of the election laws. They shall prevent riots, violence, tumult, or disorder.

In the discharge of the duties prescribed in the preceding paragraph of this section, the registrar and judges may call upon the sheriff, the police, or other peace officers to aid them in enforcing the law. They may order the arrest of any person violating any provision of the election laws, but such arrest shall not prevent the person arrested from registering or voting if he is entitled to do so. The sheriff, constables, police officers, and other officers of the peace shall immediately obey and aid in the enforcement of any lawful order made by the precinct election officials in the enforcement of the election laws. The registrar and judges of election of any precinct, or any two of such election officials, shall have the authority to deputize any person or persons as police officers to aid in maintaining order at the place of registration or voting. (1901, c. 89, s. 72; Rev., s. 4376; C. S., s. 5977; 1955, c. 871, s. 4; 1967, c. 775, s. 1.)

§§ 163-49 to 163-53: Reserved for future codification purposes.

SUBCHAPTER III. QUALIFYING TO VOTE.

ARTICLE 6.

Qualifications of Voters.

§ 163-54. Registration a prerequisite to voting. — Only such persons as are legally registered shall be entitled to vote in any primary or election held under this Chapter. (1901, c. 89, s. 12; Rev., s. 4317; C. S., s. 5938; 1967, c. 775, s. 1.)

Registration Is Necessary and Evidence of Right to Vote. — When duly made registration is prima facie evidence of the right to vote. State ex rel. DeBerry v. Nicholson, 102 N.C. 465, 9 S.E. 545 (1889); State ex rel. Hampton v. Waldrop, 104 N.C. 453, 10 S.E. 694 (1889).

The statute requiring registration must be complied with in order to constitute one a qualified voter. Smith v. City of Wilmington, 98 N.C. 343, 4 S.E. 489 (1887); Pace v. Raleigh, 140 N.C. 65, 52 S.E. 277 (1905).

§ 163-55. Qualifications to vote; exclusion from electoral franchise. — Every person born in the United States, and every person who has been naturalized, and who shall have resided in the State of North Carolina and in the precinct in which he offers to register and vote for 30 days next preceding the ensuing election, shall, if otherwise qualified as prescribed in this Chapter, be qualified to register and vote in the precinct in which he resides: Provided, that removal from one precinct to another in this State shall not operate to deprive any person of the right to vote in the precinct from which he has removed until 30 days after his removal.

The following classes of persons shall not be allowed to register or vote in this State:

(1) Persons under 18 years of age.

(2) Any person adjudged guilty of a felony against this State or the United States, or adjudged guilty of a felony in another state that also would

be a felony if it had been committed in this State, unless that person shall be first restored to the rights of citizenship in the manner prescribed by law. (19th amendt. U. S. Const.; amendt. State Const., 1920; 1901, c. 89, ss. 14, 15; Rev., ss. 4315, 4316; C. S., ss. 5936, 5937; Ex. Sess. 1920, c. 18, s. 1; 1933, c. 165, s. 4; 1945, c. 758, s. 7; 1955, c. 871, s. 2; 1967, c. 775, s. 1; 1971, c. 1231, s. 1; 1973, c. 793, s. 18.)

Cross Reference. — As to restoration of citizenship, see Chapter 13.

Constitutionally. — The former one-year durational residency requirement necessary in order to register to vote in a local North Carolina election was violative of the equal protection clause of the Fourteenth Amendment. Andrews v. Cody, 327 F. Supp. 793 (M.D.N.C. 1971), aff'd, 405 U.S. 1034, 92 S. Ct. 1306, 31 L. Ed. 2d 576 (1972).

The former one-year durational residency requirement as it related to the right to vote in local elections, was unconstitutional and invalid. Andrews v. Cody, 327 F. Supp. 793 (M.D.N.C. 1971), aff'd, 405 U.S. 1034, 92 S. Ct. 1306, 31 L. Ed. 2d 576 (1972).

Change of Voting Qualifications by General Assembly. — The General Assembly cannot in any way change the constitutional qualifications of voters in State, county, township, city or town elections. People v. Canaday, 73. N.C. 198, 21 Am. R. 465 (1875).

Qualification for Municipal Suffrage. — Qualifications for voting in a municipal election are the same as in a general election. People v. Canaday, 73 N.C. 198, 21 Am. R. 465 (1875); State ex rel. Echerd v. Viele, 164 N.C. 122, 80 S.E. 408 (1913); Gower v. Carter, 194 N.C. 293, 139 S.E. 604 (1927).

Conviction of Infamous Crime. — See In re Reid, 119 N.C. 641, 26 S.E. 337 (1896).

Person Imprisoned for Misdemeanor. — See People ex rel. Boyer v. Teague, 106 N.C. 576, 11 S.E. 665 (1890).

Infants and Aliens. — X was under 21 years of age and Y was a citizen of Syria, not of North Carolina, at the time they voted. They were therefore disqualified to vote in an election for mayor. State ex rel. Gower v. Carter, 195 N.C. 697, 143 S.E. 513 (1928).

University Student's Voting Residence. — The fact that one is a student in a university does not entitle him to vote where the university is situated, nor does it of itself prevent his voting there. He may vote at the seat of the university if he has his residence there and is otherwise qualified. Hall v. Wake County Bd. of Elections, 280 N.C. 600, 187 S.E.2d 52 (1972).

A state may constitutionally continue the "historic exclusion" of felons from the franchise without regard to whether such exclusion can pass muster under the equal protection clause, because the Fourteenth Amendment of the United States Constitution expressly allows the exclusion of felons from the franchise without reduction of representation. Fincher V. Scott, 352 F. Supp. 117 (M.D.N.C. 1972).

The argument that denial of right to vote for being a convicted felon is cruel and unusual punishment is without merit, especially considering the large number of states that do so. Fincher v. Scott, 352 F. Supp. 117 (M.D.N.C. 1972).

Stated in Glover v. North Carolina, 301 F. Supp. 364 (E.D.N.C. 1969).

§ 163-56: Repealed by Session Laws 1973, c. 793, s. 19.

§ 163-57. Residence defined for registration and voting. — All registrars and judges, in determining the residence of a person offering to register or vote, shall be governed by the following rules, so far as they may apply:

(1) That place shall be considered the residence of a person in which his habitation is fixed, and to which, whenever he is absent, he has the intention of returning.

(2) A person shall not be considered to have lost his residence who leaves his home and goes into another state or county of this State, for temporary purposes only, with the intention of returning.

(3) A person shall not be considered to have gained a residence in any county of this State, into which he comes for temporary purposes only, without the intention of making such county his permanent place of abode.

(4) If a person removes to another state or county within this State, with the intention of making such state or county his permanent residence, he shall be considered to have lost his residence in the state or county from which he has removed.

(5) If a person removes to another state or county within this State, with the intention of remaining there an indefinite time and making such state or county his place of residence, he shall be considered to have lost his place of residence in this State or the county from which he has removed, notwithstanding he may entertain an intention to return at some future time.

(6) If a person goes into another state or county, or into the District of Columbia, and while there exercises the right of a citizen by voting in an election, he shall be considered to have lost his residence in this State or county.

(7) School teachers who remove to a county for the purpose of teaching in the schools of that county temporarily and with the intention or expectation of returning during vacation periods to live in the county in which their parents or other relatives reside, and who do not have the intention of becoming residents of the county to which they have moved to teach, for purposes of registration and voting shall be considered residents of the county in which their parents or other relatives reside.

(8) If a person removes to the District of Columbia or other federal territory to engage in the government service, he shall not be considered to have lost his residence in this State during the period of such service unless he votes there, and the place at which he resided at the time of his removal shall be considered and held to be his place of residence.

(9) If a person removes to a county to engage in the service of the State government, he shall not be considered to have lost his residence in the county from which he removed, unless he demonstrates a contrary intention. (19th amendt. U. S. Const.; amendt. State Const., 1920; 1901, c. 89, s. 15; Rev., s. 4316; C. S., s. 5937; Ex. Sess. 1920, c. 18, s. 1; 1933, c. 165, s. 4; 1945, c. 758, s. 7; 1955, c. 871, s. 2; 1967, c. 775, s. 1.)

This section defines residence for registration and voting, and incorporates the case law on the subject of domicile. Hall v. Wake County Bd. of Elections, 280 N.C. 600, 187 S.E.2d 52 (1972).

"Residence" Is Synonymous with Domicile. — Residence as a prerequisite to the right to vote in this State, within the purview of N.C. Const., Art. VI, § 2, is synonymous with domicile, which denotes a permanent dwelling place to which a person, when absent, intends to return. State ex rel. Owens v. Chaplin, 228 N.C. 705, 47 S.E.2d 12 (1948). See State ex rel. Hannon v. Grizzard, 89 N.C. 115 (1883).

It is clear that residence, when used in the election law, means domicile. Hall v. Wake County Bd. of Elections, 280 N.C. 600, 187 S.E.2d 52 (1972).

Meaning of "Residence" Is Judicial Question. — The meaning of the term "residence" for voting purposes, as used in N.C. Const., Art. VI, § 2, is a judicial question. It cannot be made a matter of legislative construction. This is true because the legislature cannot prescribe any qualifications for voters different from those found in the organic law. State ex rel. Owens v. Chaplin, 228 N.C. 705, 47 S.E.2d 12 (1948).

Evidence of Domicile. — A person's testimony regarding his intention with respect to acquiring a new domicile or retaining his old one is competent evidence, but it is not conclusive of the question. All of the surrounding circumstances and the conduct of the person must be taken into consideration. Hall v. Wake County Bd. of Elections, 280 N.C. 600, 187 S.E.2d 52 (1972).

Rebuttable Presumption of Student's Domicile. — The presumption is that a student who leaves his parents' home to enter college is not domiciled in the college town to which he goes; however, this presumption is rebuttable. Hall v. Wake County Bd. of Elections, 280 N.C. 600, 187 S.E.2d 52 (1972).

An adult student may acquire a domicile at the place where his university or college is situated, if he regards the place as his home, or intends to stay there indefinitely, and has no intention of resuming his former home. If he goes to a college town merely as a student, intending to remain there only until his education is completed and does not change his intention, he does not acquire a domicile there. Hall v. Wake County Bd. of Elections, 280 N.C. 600, 187 S.E.2d 52 (1972), aff'd, 411 U.S. 961, 93 S. Ct. 2151, 36 L. Ed. 2d 681 (1973).

Court Determines Domicile of Student. — A student's physical presence in the college town

where he seeks to vote demonstrably fulfills the residency requirement of domicile. A court must rely upon both his words and his actions to determine whether the student has the requisite intent to make the town his home and to remain there indefinitely. Hall v. Wake County Bd. of Elections, 280 N.C. 600, 187 S.E.2d 52 (1972).

Student's Residence Is a Question of Fact. — Whether a student's voting residence is at the location of the college he is attending or where he lived before he entered college is a question of fact which depends upon the circumstances of each individual's case. Hall v. Wake County Bd. of Elections, 280 N.C. 600, 187 S.E.2d 52 (1972).

The right of teachers in a locality to vote therein is made to depend upon whether they were residents therein only for the scholastic year. A question is incompetent that asks them of their intention to make the locality their legal residence, since the answer involves a question of law as to what constitutes a sufficient legal residence to qualify them to vote. State ex rel. Gower v. Carter, 195 N.C. 697, 143 S.E. 513 (1928).

The indefiniteness of an elector's intention to return to the county of his domicile is insufficient to establish loss of voting residence—no other having been acquired or intended. State ex rel. Owens v. Chaplin, 229 N.C. 797, 48 S.E.2d 37 (1948).

Evidence Insufficient to Show Loss of Domicile. — Uncontroverted testimony which discloses that electors whose votes were challenged on the ground of nonresidence left their homes and moved to another state or to another county in this State for temporary purposes, but that at no time did they intend making the other state or the other county in this State a permanent home, is insufficient to support a finding that they had lost their domicile in the county for the purpose of voting. State ex rel. Owens v. Chaplin, 228 N.C. 705, 47 S.E.2d 12 (1948).

Length of Residence and Domicile—Evidence Thereof. — See People ex rel. Boyer v. Teague, 106 N.C. 576, 11 S.E. 665 (1890).

Applied in Webb v. Nolan, 361 F. Supp. 418 (M.D.N.C. 1972), aff'd, 484 F.2d 1049 (1973).

§ 163-58. Literacy. — Only such persons as are able to read and write any section of the Constitution of North Carolina in the English language shall be entitled to register and vote in any primary or election held under this Chapter. (1901, c. 89, s. 12; Rev., s. 4318; C.S., s. 5939; 1927, c. 260, s. 3; 1957, c. 287, s. 1; 1967, c. 775, s. 1.)

Constitutionality. — The provisions of former § 163-28, similar to this section, were valid, since such qualification is prescribed by the Constitution, Art. VI, § 4, and authority therein granted the legislature by Art. VI, § 3, to enact general legislation to carry out the provisions of the Article. Allison v. Sharp, 209 N.C. 477, 184 S.E. 27 (1936).

The provision of former § 163-28 requiring all persons applying for registration to be able to read and write any section of the Constitution as an educational qualification to the right to vote was authorized, and, since it applied alike to all persons who presented themselves for registration to vote, it made no discrimination based on race, creed or color, and therefore did not conflict with the 14th, 15th or 17th Amendments to the Constitution of the United States. Lassiter v. Northampton County Bd. of Elections, 248 N.C. 102, 102 S.E.2d 853 (1958), aff'd, 360 U.S. 45, 79 S. Ct. 985, 3 L. Ed. 2d 1072 (1959).

When Literacy Test May Have Effect of Denying Right to Vote. — Use of the literacy test as a prerequisite to registering to vote has the effect of denying or abridging the right to vote on account of race or color where it places an onerous burden on the Negroes for whom a county has maintained separate and inferior schools. Gaston County v. United States, 395 U.S. 285, 89 S. Ct. 1720, 28 L. Ed. 2d 309 (1969).

In an action brought under § 4(a) of the Voting Rights Act of 1965, it is appropriate for a court to consider whether a literacy or educational requirement has the "effect of denying . . . the right to vote on account of race or color" because the state or subdivision which seeks to impose the requirement has maintained separate and inferior schools for its Negro residents who are now of voting age. Gaston County v. United States, 395 U.S. 285, 89 S. Ct. 1720, 28 L. Ed. 2d 309 (1969).

Requirement That Voter Be Able to Read and Write Any Section of Constitution Is Fair. — The requirement, applicable to members of all races, that the prospective voter "be able to read and write any section of the Constitution of North Carolina in the English language" is one fair way of determining whether a person is literate, not a calculated scheme to lay springes for the citizen. It cannot be condemned on its face as a device unrelated to the desire of North Carolina to raise the standards for people of all races who cast the ballot. Lassiter v. Northampton County Bd. of Elections, 360 U.S. 45, 79 S. Ct. 985, 3 L. Ed. 2d 1072 (1959).

Meaning of "Read and Write". — The General Assembly intended the words "read and

write" as used in former § 163-28 to have those meanings commonly attributed to them in ordinary usage. In construing that section, the words should be given their ordinary, natural and general meaning. Bazemore v. Bertie County Bd. of Elections, 254 N.C. 398, 119 S.E.2d 637 (1961).

Utmost Proficiency Is Not Contemplated. — The utmost proficiency in reading and writing sections of the Constitution is not contemplated. Perfection is not the measure of qualification. The standard is reasonable proficiency in reading and writing any section of the Constitution in the English language. The occasional misspelling and mispronouncing of more difficult words should not necessarily disqualify. Bazemore v. Bertie County Bd. of Elections, 254 N.C. 398, 119 S.E.2d 637 (1961).

Requiring Writing from Dictation of Another Is Unreasonable. — Under the provisions of former § 163-28, a test of literacy that required an applicant for registration to write a section or sections of the Constitution from the reading and dictation of another, however fairly and clearly the same might be read and dictated, was unreasonable and beyond the clear intent of the statute. Bazemore v. Bertie County Bd. of Elections, 254 N.C. 398, 119 S.E.2d 637 (1961).

Administration of Former Section by Registrar. — The provision of former § 163-28 placing the duty upon the registrar to administer the section was logical and reasonable, and did not constitute class legislation, since its provisions applied to all classes, and there was an adequate remedy at law if a registrar, in bad faith or in abuse of power or discretion, should refuse to register a person duly qualified. Allison v. Sharp, 209 N.C. 477, 184 S.E. 27 (1936).

Challenging Statute in Federal Court. — The question of whether former § 163-28 should be declared void and its enforcement enjoined by a federal court on the ground that it was violative of rights under the federal Constitution would not be considered until plaintiff's administrative remedies had been exhausted and the North Carolina Supreme Court had interpreted the provisions of the section in the light of the North Carolina Constitution. Lassiter v. Taylor, 152 F. Supp. 295 (E.D.N.C. 1957).

§ 163-59. Right to participate or vote in party primary. — No person shall be entitled to vote or otherwise participate in the primary election of any political party unless he

(1) Is a registered voter, and

(2) Has declared and has had recorded on the registration book or record the fact that he affiliates with the political party in whose primary he proposes to vote or participate, and

(3) Is in good faith a member of that party.

Any person who will become qualified by age or residence to register and vote in the general election or regular municipal election for which the primary is held, even though not so qualified by the date of the primary, shall be entitled to register for the primary and general or regular municipal election prior to the primary and then to vote in the primary after being registered. Such person may register not earlier than 60 days nor later than 21 days prior to the primary. (1915, c. 101, s. 5; 1917, c. 218; C. S., s. 6027; 1959, c. 1203, s. 6; 1967, c. 775, s. 1; 1971, c. 1166, s. 4; 1973, c. 793, s. 20.)

Cross Reference. — As to effect of voting in primary on future conduct of voter, see notes to §§ 163-74, 163-87, 163-96.

§§ 163-60 to 163-64: Reserved for future codification purposes.

ARTICLE 7.

Registration of Voters.

§ 163-65. Registration books and records. — (a) Precinct Records. — The county board of elections shall furnish each precinct registrar with a proper book or books in which to record registration. This book shall be prepared to contain all of the information pertaining to a registered voter required by G.S. 163-72, including the registrant's political party affiliation, if any. On each page of the

book shall be printed a column index giving the first two letters of the surnames and the pages on which persons bearing those names are registered.

In lieu of a bound book, the county boards of elections shall install a loose-leaf registration book system in all of the precincts of the county prior to January 1, 1970; provided that nothing herein shall alter the power of the county board of elections, with the approval of the county board of commissioners, to establish by resolution a full-time system of registration as provided in G.S. 163-67(b). The necessary binders for the loose-leaf registration book system shall be purchased by each county. The State Board of Elections shall have authority to approve types, sizes and kinds of binders to be used for the loose-leaf registration book system. Uniform registration sheets of paper approved by the State Board of Elections which are necessary for the binders shall be furnished by the State Board of Elections from funds provided by the State from the Contingency and Emergency Fund. One or more duplicate sets of registration sheets shall be maintained by the chairman of the county board of elections at all times in a safe place.

(b) Repealed by Session Laws 1973, c. 793, s. 21.

(c) Registration Records. — The applicant's application to register, when approved by the county board of elections, as provided in G.S. 163-67, shall become an official registration certificate. All original registration certificates shall be kept by the county board of elections in a safe place to be provided by the board of county commissioners. The county board of elections shall place an exact duplicate or copy of each original registration certificate in the proper precinct registration book, and certify each such book as containing the registration certificates of all persons entitled to vote in that precinct. Duplicate registration certificates filed in the precinct registration books, when properly certified by the county board of elections, shall be used in the precincts for purposes of all primaries and elections; provided, however, that the original registration certificates shall at all times be the official and final evidence of registration, and the county board of elections shall have the power to correct the duplicates in the precinct registration books to conform to the original registration certificates at any time, including the day of any primary or election. (1939, c. 263, s. 1; 1949, c. 916, s. 1; 1953, c. 843; 1955, c. 800; 1961, c. 381; 1963, c. 303, s. 1; 1967, c. 761, ss. 1, 2; c. 775, s. 1; 1973, c. 793, s. 21.)

Local Modification. — Ashe: 1969, c. 298; city of Rocky Mount: 1969, c. 1051; town of Arlington: 1969, c. 824.

Local Modification to Former §§ 163-43 and 163-43.1. — Town of Whitakers: 1965, c. 996, s. 1.

Opinions of Attorney General. — Mr. Alex K. Brock, Executive Secretary, State Board of Elections, 40 N.C.A.G. 76 (1969).

Loose-Leaf Registration Required in Municipality Where Local Act Contains No Provisions Regarding Registration. — See opinion of Attorney General to Mr. Herman Edwards, Murphy Town Attorney, 40 N.C.A.G. 465 (1970).

§ 163-66. Custody of registration records and pollbooks; access; obtaining copies. — In all counties the registration records, books, registration certificates, indexes, and other records of registration and voting shall be and remain in the possession of the county board of elections. The county board of elections shall keep these books in a safe and secure place where they may not be tampered with, stolen, or destroyed. If possible, the board shall keep them in a fireproof vault. The board may exercise supervision and control of these records through its properly designated officers and employees. It shall be the duty of the county board of elections, on application of any candidate, or the county chairman of any political party, or any other person, to furnish a list of the persons registered to vote in the county or in any precinct or precincts therein. No registrar shall furnish lists of registered voters or permit the registration records of his precinct to be copied. The county board of elections

shall furnish such lists and, upon request, it may furnish selective lists according to party affiliation, sex, race, date of registration, or any other reasonable category. In all instances, however, the county board of elections shall require persons to whom any list is furnished to make full reimbursement for the expense incurred in preparing it. Notwithstanding the above, however, the chairman of each political party, as defined in G.S. 163-96, shall be entitled biennially, upon request, to one free list of all registered voters in his county showing the name, address, sex, political affiliation and precinct of each registered voter. The free list furnished the chairman of each political party shall group the registered voters by precinct and shall be furnished as soon as practical but no later than 30 days after said request. (1901, c. 89, s. 83; Rev., s. 4382; C. S., s. 6016; 1931, c. 80; 1939, c. 263, s. 3½; 1949, c. 916, ss. 6, 7; 1953, c. 843; 1955, c. 800; 1959, c. 883; 1963, c. 303, s. 1; 1967, c. 775, s. 1; 1973, c. 793, s. 22; 1975, c. 12.)

Local Modification. — City of Rocky Mount: 1969, c. 1051.

Editor's Note. — The 1975 amendment added the last sentence.

Opinions of Attorney General. — Mr. Alex K. Brock, Executive Secretary, State Board of Elections, 40 N.C.A.G. 76 (1969).

§ 163-67. Full-time registration; application to register. — (a) The county boards of elections shall establish, prior to January 1, 1971, a full-time system of registration, as prescribed by the State Board of Elections, under which the registration books, process, and records shall be open continuously for the acceptance of registration applications and for the registration of voters at all reasonable hours and time consistent with the daily function of all other county offices. In such counties no registration shall entitle a registrant to vote in any primary, general or special election unless the registrant shall have made application not less than 21 days, excluding Saturdays and Sundays, immediately preceding such primary, general or special election, provided that nothing shall prohibit registrants from registering to vote in future elections during such period.

When full-time registration has been established in a county, the official record of registration shall be made and kept in the form of an application to register which, as prescribed by the State Board of Elections, shall contain all information necessary to show the applicant's qualifications to register. In such a county, no person shall be registered to vote without first making a written, sworn, and signed application to register upon the form prescribed by the State Board of Elections. If the applicant cannot write because of physical disability, his name shall be written on the application for him by the election official to whom he makes application, but the specific reason for the applicant's failure to sign shall be clearly stated upon the face of the application.

Registrars and special registration commissioners appointed under the provisions of G.S. 163-41 may take registration applications from and administer registration oaths to qualified applicants without regard to the precinct residence of the registrar, special registration commissioner, or applicant: Provided, however, the county board of elections shall have power to limit the areas in which registrars and special registration commissioners may exercise the authority conferred in this paragraph.

Applications to register which have been completed by persons who have taken the required oath shall be forwarded promptly to the county board of elections. An application to register shall constitute a valid registration unless the county board of elections shall notify the applicant of its rejection within 30 days after its completion; provided that where the application is completed during the last 51 days prior to the election but at least 21 days prior to the election, the notification of rejection shall be made no less than 21 days prior

to the election or the application shall constitute a valid registration. The loose-leaf binders containing the precinct records and the duplicate registration record, required by G.S. 163-65(a), shall be kept at all times in a safe place.

For the purpose of receiving registration applications, registrars shall attend the voting places in their precincts only on such days and at such hours as may be fixed by the county board of elections: Provided, the county board of elections shall not require registrars to be present at the voting places for this purpose on any day less than 21 days, excluding Saturdays and Sundays, prior to a primary or election. In its discretion, the county board of elections may require no attendance by registrars at the voting places for the purpose of receiving registration applications.

The county board of elections is authorized to make reasonable rules and regulations, not inconsistent with law and State Board regulations, to insure full-time registration as provided in this section.

(b) In counties which have less than 14,001 registered voters the State Board of Elections shall prescribe reasonable regulations permitting such counties to operate a modified full-time office to the extent that the operation of such full-time office will not necessarily be required to be open such as is required in counties with total registered voters in excess of 14,000; provided, that nothing herein shall preclude such counties from maintaining office hours for registration consistent with the hours observed by all other offices within said county. In counties which operate under a modified full-time system as authorized by this section, registration commissioners shall not be allowed.

(c) No Registration on Day of Primary or Election; Exception. — No person shall be permitted to register on the day of an election or primary, unless he shall have become qualified to register and vote between the date the registration period expired and the date of the succeeding primary or election. No one shall be permitted to register on the day of a second primary unless he shall have become qualified to register and vote between the date of the first primary and the date of the succeeding second primary.

(d) The cost of maintaining the registration and election processes required by this section and G.S. 163-67.1 shall be allocated by the respective boards of county commissioners upon approval of budget requirements submitted by the respective county board of elections. The respective boards of county commissioners shall appropriate reasonable and adequate funds necessary for the legal functions of the county boards of elections, including reasonable and just compensation of the executive secretary. (1901, c. 89, ss. 18, 21; Rev., ss. 4322, 4323; C. S., ss. 5946, 5947; 1923, c. 111, s. 3; 1933, c. 165, s. 5; 1947, c. 475; 1953, c. 843; 1955, c. 800; 1957, c. 784, ss. 3, 4; 1961, c. 382; 1963, c. 303, ss. 1, 2; 1967, c. 761, s. 3; c. 775, s. 1; 1969, c. 750, ss. 1, 2.)

Local Modification. — City of Rocky Mount: 1969, c. 1051.

Local Modification to Former § 163-31. — Randolph: 1965, c. 1123; town of Whitakers: 1965, c. 996, s. 1.

Local Modification to Former § 163-43.1. — Town of Whitakers: 1965, c. 996, s. 1.

Editor's Note. — Section 163-67.1 cited in subsection (d) of this section was repealed by Session Laws 1973, c. 859, s. 2.

Opinions of Attorney General. — Mr. Alex K. Brock, Executive Secretary, State Board of Elections, 40 N.C.A.G. 76 (1969).

Time for Books to Remain Open. — Where the charter of a city or town provided that for the issuance of bonds an election shall be held "under the rules and regulations presented by law for regular elections," it referred to former § 163-31, requiring that the books of registration should be kept open for twenty days (now two weeks); and construing that section in connection with § 160-37, it was held that the former was for the purpose of a new and original registration, and the latter, in providing for only seven days, was for the purpose of revising the registration books so that electors might be registered whose names were not on the former books. Hardee v. City of Henderson, 170 N.C. 572, 87 S.E. 498 (1916).

Substantial Compliance Is All That Is Necessary. — The statutory requirement that the registration be kept open and accessible for a specified time, is regarded as essential by the courts in passing upon the validity of bonds to

be issued by a municipality; but where it appears that the books were afterwards opened for a time actually sufficient to afford all an opportunity to register, though short of the legal period, and it further appears that the election has been hotly contested by both sides, it shall be deemed sufficient. Hill v. Skinner, 169 N.C. 405, 86 S.E. 351 (1915).

Effect of Noncompliance on Bond Issue. — The failure to keep the registry, for the question of the issuance of bonds in a special school district, open for twenty days (now two weeks), etc., required by former § 163-31, did not of itself render invalid the issuance of the bonds accordingly approved when it appeared that the matter was fully known and discussed, opportunity offered every voter to register, there was nothing to show that every elector desiring to vote had not done so, and there was no opposition to the measure manifested. Hammond v. McRae, 182 N.C. 747, 110 S.E. 102 (1921).

Registration on Day of Election. — Where a person otherwise legally qualified, who had not been allowed to register because at that time he had not been a resident of the State for one year, but who became qualified in that respect on or before the day of election, asked to be allowed to register on election day and tendered his ballot, which was refused, it was held that such vote should have been received. State ex rel. Quinn v. Lattimore, 120 N.C. 426, 26 S.E. 638 (1897).

§ 163-67.1: Repealed by Session Laws 1973, c. 859, s. 2.

Cross Reference. — For present provisions covering the subject matter of the repealed section, see § 163-35.

§ 163-68: Repealed by Session Laws 1973, c. 793, s. 24.

§ 163-69. Permanent registration. — The registration certificates shall be a permanent public record of registration and qualification to vote, and they shall not thereafter be cancelled except as otherwise provided in this Chapter. No new registration shall be ordered pursuant to G.S. 163-78 either by precinct, or countywide, unless the permanent registration certificates have been lost or destroyed by theft, fire, or other hazard.

In the event of any division of precincts or changes in precinct boundaries, the board of elections shall not cancel the existing registration or order a new registration, but it shall immediately correct the existing precinct registration certificates to conform to the division or change.

To the end that the permanent registration records shall be purged of the names of registrants who have died or who have become disqualified to vote since registration, the Department of Human Resources, on or before the fifteenth day of the months of March, June, September and December, shall furnish free of charge to each county board of elections a certified list of the names of deceased persons who were residents of that county, such certified list to be based upon the information supplied by death certificates received by the Department of Human Resources during the preceding quarter. Upon the receipt of such a certification from the health director, the county board of elections shall cause to be removed from its permanent registration records the name of any person appearing on the death certification.

In addition, beginning in the 12-month period following the presidential election in 1972 and thereafter in the period beginning no later than 30 days after each subsequent presidential election, the county board of elections shall remove from the permanent registration records the names of all persons who have failed to vote, according to the poll or other record of voting, for a period of four years. Also, at any other time, including the time required by this section for mandatory purging of persons who have not voted for a period of four years, the county board of elections may remove from the permanent registration records the names of all persons who have moved their residence from the county. Prior to removing any person's name from the registration records for failure to vote for four consecutive years or for removal of residence from the

county as authorized by this section, the county board of elections shall cause to be mailed to the person affected, at the address shown on the permanent registration records, a notice to show cause why his registration should not be voided. If such a person shall appear and show that his qualifications to register and vote remain as they were when he was first registered, his name shall not be removed from the permanent registration records. Any person whose name has been removed from these records for failure to vote for four consecutive years or for removal of residence from the county shall be permitted to reregister at any time he can demonstrate that he is qualified to register and vote.

Nothing in this section shall prohibit the county board of elections from restoring to the permanent registration records the name of any person upon proof that he is not dead, or that he has voted in the county within the four-year period, or has not removed his residence from the county. (1953, c. 843; 1955, c. 800; 1963, c. 303, s. 1; 1965, c. 1116, s. 1; 1967, c. 775, s. 1; 1973, c. 793, s. 25; 1975, c. 395.)

Local Modification. — Orange County: "The board of elections of Orange County is authorized and empowered to transfer the names of all persons registering during the registration period prior to the May, 1969, general municipal election of the town of Chapel Hill, and the election for terms on the Chapel Hill city board of education, to the permanent registration books of Orange County. The registrars appointed by said board of elections for the election precincts lying within the corporate limits of the town of Chapel Hill and the boundaries of the Chapel Hill city administrative school district, are directed to place the names of all persons who presented themselves for registration during such registration period, and who were duly registered on the supplementary registration books of said precinct on the permanent registration books of Orange County." 1969, c. 823.

Local Modification to Former § 163-31.2. — Alamance, Columbus, Forsyth, Franklin, Gaston, Harnett, Hertford, Johnston, Martin, Northampton, Randolph, Robeson, Rowan, Scotland and Washington: 1965, c. 1116, s. 1½, as amended by 1969, cc. 576, 927; Wayne: 1965, c. 1070; city of Rocky Mount: 1969, c. 1051; town of Whitakers: 1965, c. 996, s. 1.

Editor's Note. — The 1975 amendment, effective July 1, 1975, substituted "Department of Human Resources, on or before the fifteenth day of the months of March, June, September and December," for "register of deeds of the county" in the first sentence of the third paragraph, substituted the language beginning "certified list of the names" at the end of that sentence for "certification of all death certificates as soon as they are recorded in his office," substituted "health director" for "register of deeds" and "death certification" for "register of deeds' death certificate certification" in the second sentence of the third paragraph and inserted "the" preceding "receipt" near the beginning of that sentence.

§ 163-70. Chairman to certify to State Board of Elections number of registered voters in county. — The chairman of a county or municipal board of elections shall certify to the State Board of Elections the number of registered voters in the county or municipality. The certification shall be made on such forms as the State Board may prescribe and at such times as the State Board may fix. (1967, c. 775, s. 1; 1971, c. 1116, s. 5; 1973, c. 793, s. 26.)

§ 163-71. Municipal corporations authorized to use county registration records. — Upon such terms as may be mutually agreed to by the governing body of any city, town, or other municipality and the boards of commissioners and elections of the county in which the municipality is situated, the municipality is authorized to use the registration books, process, or records of the county as the official record of registration of persons qualified to vote in municipal elections. If such an agreement is reached, the provisions of law applicable to the registration of voters in the county shall also apply to the city, town, or other municipal corporation for the purpose of its primary, general, regular, and special elections.

All elections heretofore held or ordered to be held by any city, town, or other municipal corporation in which the registration books, process, or records of the county in which the municipal corporation is located were used or ordered to be used are hereby in all respects ratified, validated, and confirmed. (1955, c. 763; 1967, c. 775, s. 1.)

Local Modification. — City of Rocky Mount: 1969, c. 1051.

§ 163-72. Registration procedure; oath. — (a) Before questioning any applicant for registration as to his qualifications, the registrar shall administer the following oath to him:

"You swear (or affirm) that the statements and information you shall give me with respect to your identity and qualifications to register to vote shall be the truth, the whole truth, and nothing but the truth, so help you, God."

After being sworn, the applicant shall state as accurately as possible his name, age, place of birth, place of residence, political party affiliation, if any, under the provisions of G.S. 163-74, the name of any municipalities in which he resides, and any other information which may be material to a determination of his identity and qualification to be admitted to registration. The applicant shall also present to the registrar written or documentary evidence that he is the person he represents himself to be. The registrar, if in doubt as to the right of the applicant to register, may require other evidence satisfactory to him as to the applicant's qualifications.

(b) If the registrar finds the applicant duly qualified and entitled to be registered, he shall administer the following registration oath to him, omitting the words in parentheses if the applicant does not claim residence in any municipality:

"I, ..., do solemnly swear (or affirm) that I will support the Constitution of the United States, and the Constitution of the State of North Carolina not inconsistent therewith; that I have been or will have been a resident of the State of North Carolina and of this precinct for 30 days by the date of the next primary, special or general election; (that I am a resident of . . . . . (municipal corporation)); that I am at least 18 years of age or will be by the date of the next general election; and that I have not registered to vote in any other precinct, county, or state, nor will I vote in any other precinct, county, or state, so help me, God."

If the registrar finds the applicant qualified and entitled to be registered, and if the applicant has taken the oath prescribed in the preceding paragraph, the registrar shall register him by recording his name, age, race, residence, place of birth, municipality in which entitled to vote, and the precinct, municipality, county, or state from which he has removed in the event of a removal, in the appropriate columns of the registration book or other registration record.

The registration book or other record containing the information required by the preceding paragraph shall be evidence against the applicant in any court of law in a proceeding for false or fraudulent registration.

(c) No registered voter shall be required to reregister upon moving from one precinct to another in the same county. In lieu thereof, in accordance with regulations prescribed by the county board of elections, the voter, not less than 21 days before any primary or election in which the removing elector desires to vote, shall file with the county board of elections or with a registrar or judge of elections, or special library registration deputy or special registration commissioner an affidavit setting forth his former residence, and a statement that all his other qualifications to register and vote remain as they were at the time he was registered. If a registered voter by moving his place of residence

from one place to another within the same county thereby affects his eligibility to vote in one or more municipalities, the affidavit also shall state the municipality in which he is now qualified to vote and/or those in which he is no longer qualified to vote. If the county board of elections finds the facts asserted in the affidavit to be true, it shall immediately transfer the voter's registration to the precinct of his new residence or shall correct his registration for municipal elections. Thereafter the voter shall be considered registered and qualified to vote in his new precinct of residence. (1901, c. 89, s. 12; Rev., s. 4319; C. S., s. 5940; Ex. Sess. 1920, c. 93; 1933, c. 165, s. 5; 1951, c. 984, s. 1; 1953, c. 843; 1955, c. 800; c. 871, s. 2; 1957, c. 784, s. 2; 1963, c. 303, s. 1; 1967, c. 775, s. 1; 1971, c. 1166, s. 6; 1973, c. 793, s. 27; c. 1223, s. 3; 1975, c. 234, s. 2.)

Editor's Note. — The 1975 amendment inserted "or judge of elections, or special library registration deputy" near the middle of the second sentence of subsection (c).

In General. — While the General Assembly cannot add to the qualifications prescribed by the Constitution for voters, it has the power, and it is its duty, to enact such registration laws as will protect the rights of duly qualified voters, and no person is entitled to vote until he has complied with the requirements of those laws. Harris v. Scarborough, 110 N.C. 232, 14 S.E. 737 (1892).

Requirements Mandatory. — The requirements of the registration act are mandatory. Harris v. Scarborough, 110 N.C. 232, 14 S.E. 737 (1892).

Effect of Irregularities. — Where the disregard of constitutional or statutory directions does not affect the result it does not warrant a rejection of the vote. If none are incompetent to vote, the registration must be accepted as the act of a public officer, and entitles the electors to vote, notwithstanding irregularities as to administering the oath, the registrar's appointment, etc. State ex rel. DeBerry v. Nicholson, 102 N.C. 465, 9 S.E. 545 (1889).

Administration of Oath. — Article VI, § 2, Const. 1868, is satisfied by an oath to support the Constitution of the United States and that of the State. All valid laws, whether State or national are included by implication. State ex rel. DeBerry v. Nicholson, 102 N.C. 465, 9 S.E. 545 (1889).

In the absence of direct evidence to the contrary it will be presumed that the oath was taken with uplifted hand. State ex rel. DeBerry v. Nicholson, 102 N.C. 465, 9 S.E. 545 (1889).

Failure to administer oath would not invalidate an election to determine whether a school tax should be levied in absence of fraud or improper motive. Gibson v. Board of Comm'rs, 163 N.C. 510, 79 S.E. 976 (1913).

Registration by Other than Registrar. — The fact that a qualified voter was registered by a third person, with whom the registrar had left the books, does not disqualify him to vote, where such registration has been accepted as sufficient by the registrar. Quinn v. Lattimore, 120 N.C. 326, 26 S.E.638 (1897).

Inquiry as to Qualifications of Voters. — Registrars of election may ask an elector if he had resided in the State 12 months next preceding the election, and four months (now 30 days) in the district in which he offers to vote. They may ask an elector as to his age and residence, as well as the township and county from whence he removed, in the case of a removal since the last election, and as to the name by which he is commonly known. If, in reply to such questions, the elector answers that he is 21 (now 18) years old, and has resided in the State 12 months and in the county four months (now 30 days) preceding the election, it is the duty of the registrar, upon his taking the prescribed oath, to record his name as a voter; but bystanders may require him to be sworn as to his residence. In re Reid, 119 N.C. 641, 26 S.E. 337 (1896).

Sufficiency of Response. — In answer to the question of residence the designation of the county of residence is sufficient; but the designation of the state merely is insufficient. Harris v. Scarborough, 110 N.C. 232, 14 S.E. 737 (1892).

Denial of registration and voting to persons qualified to vote, even though by accident or mistake, vitiates the election particularly where it would affect the result. McDowell v. Massachusetts & S. Constr. Co., 96 N.C. 514, 2 S.E. 351 (1887). See Perry v. Whitaker, 17 N.C. 475 (1833); People ex rel. Bokkelen v. Canaday, 73 N.C. 198, 21 Am. Rep. 465 (1875).

§ 163-72.1. Cancellation of prior registration. — (a) After having accepted the application for registration, and after advising the applicant that he is still bound by the oath first administered pursuant to G.S. 163-72, the registrar shall ask the applicant whether he is, at that time, also registered to vote in any other county, municipality or state. If the applicant answers in the affirmative, the

registrar shall obtain from him a signed authorization (in triplicate) to cancel all prior registrations. The authorization shall set forth the name under which the person previously was registered, his prior address (including state, county, street address, and precinct, if known), and the name under which he is applying to register. It shall be addressed to the appropriate election officials in the other county, municipality or state and shall request them to cancel his voting registration in that county or state. It also shall direct the county board of elections to which he is currently applying for registration to transmit a signed copy of the authorization to the appropriate election officials in the other county, municipality or state.

(b) The registrar shall deliver all copies of the signed authorization, together with the person's application for registration, to the county board of elections. If the person, having stated that he is registered in another county or state, refuses to sign the authorization, the registrar shall complete the authorization as completely as possible without obtaining the person's signature and shall transmit it, together with the person's application for registration, to the county board of elections, noting in the appropriate place on the authorization that the person refused to sign it after having stated that he is registered in another county or state.

(c) If the person's application for registration is rejected pursuant to G.S. 163-67, and upon exhaustion of any appeal from rejection that does not result in the granting of registration, the chairman of the county board of elections shall promptly destroy all copies of the person's authorization.

(d) If the person's application for registration is not rejected, the chairman of the county board of elections forthwith shall mail a signed copy of the authorization to the appropriate elections officials in the county, municipality or state where the person previously was registered.

(e) When a county or municipal board of elections in this State receives from another county or municipal board of elections in this State, or from appropriate elections officials of another state or political subdivision in another state, a signed authorization directing the removal of a person's name from the county's or municipality's permanent registration records, the board, 20 days after giving written notice of receipt of the authorization to the person at the local address shown in the county's registration records and in the authorization, shall remove the person's name from its registration records.

If within 10 days after giving notice to the person affected the board is notified by the person that he objects to the removal of his name from the records, the chairman of the board shall enter a challenge to the person's qualifications to remain registered or vote. The challenge may be based on the person's removal of residence from the county or municipality or any other sufficient ground for objecting to the right of the person to remain registered or vote, and the challenge shall be heard as provided in Chapter 163, Article 8.

(f) The board of elections is responsible for the safekeeping of the authorization and any other documents relating to the cancellation of prior registration pursuant to this section. Except as provided in subsection (c), the board shall retain them for a period of at least one year after obtaining the authorization.

(g) The authorization form and the form for written notice of receipt of authorization shall be prescribed or approved by the State Board of Elections. No county or municipality may use any other such forms.

(h) For the purposes of this section, the word "state" includes the District of Columbia. (1973, c. 793, s. 28; c. 1223, s. 4.)

§ 163-73: Repealed by Session Laws 1973, c. 793, s. 29.

§ 163-74. Record of political party affiliation; changing recorded affiliation; correcting erroneous record. — (a) Record of Party Affiliation. —

When any person applies for registration prior to any primary or election, it shall be the duty of the registrar to request the applicant to state his political party affiliation and to record the affiliation in the registration book or appropriate record. Such recorded party affiliation shall thereafter be permanent unless, or until, the registrant changes it under the provisions of subsection (b) of this section.

If the applicant refuses to declare his party affiliation upon request, the registrar shall register his name, if he is otherwise qualified, without indicating any party affiliation opposite the name. The registrar shall then advise the applicant that, although registered, he cannot vote in any party primary but only in general elections held thereafter.

If the applicant states to the registrar that he is an independent indicating affiliation with no political party, the registrar shall register his name, if he is otherwise qualified, entering the designation "Independent" in the proper place on the registration record. The registrar shall then advise the applicant that, although registered, he cannot vote in any party primary but only in general elections held thereafter.

In all cases in which no party affiliation has been recorded in the registration book opposite the name of any registered elector, but not including those registered as independents, the registrant may, on primary election day, appear before the registrar of his precinct and have his political party affiliation recorded by taking the following oath to be administered by the registrar:

"I, ..., do solemnly swear (or affirm) that I desire in good faith to have my affiliation with the . . . . . party recorded in the registration book of this precinct, so help me, God."

When the registrant has taken the prescribed oath, the registrar shall record his declared party affiliation opposite the registrant's name in the registration book and permit him to vote in the primary of the party with which he is affiliated.

(b) Change of Party Affiliation. — Any registered voter who desires to have his party affiliation changed on the registration records of the county shall, not less than 21 days prior to any primary, file an affidavit with the county board of elections, or a registrar, or judge of elections, or special library registration deputy, or special registration commissioner, in accordance with regulations to be adopted by the county board of elections, in the following form:

"I, ... , do solemnly swear (or affirm) that I desire in good faith to change my party affiliation from the . . . . . party to the . . . . . party, and that such change of affiliation be made on the registration records in the manner provided by law, so help me, God."

Upon receipt of the required oath, the county board of elections shall immediately change the record of the registrant's party affiliation to conform to that stated in the oath. Thereafter the voter shall be considered registered and qualified to vote in the primaries of the political party which he designated in the oath.

(c) Correction of Erroneous Record of Party Affiliation. — If at any time the chairman of the county board of elections or the registrar of any precinct shall be satisfied that an error has been made in designating the party affiliation of any voter on the registration book of his precinct then, and in all such events, the chairman of the county board of elections or the registrar, having custody of the registration book, may make the necessary correction after first administering to the voter the following oath:

"I, ... , do solemnly swear (or affirm) that I desire in good faith to have the erroneous entry of my affiliation with the . . . . . party in the registration book of this precinct corrected in the manner provided by law to show that I affiliate with the . . . . . party, so help me, God." (1939, c. 263, s. 6; 1949, c. 916, ss. 4, 8; 1953, c. 843; 1955, c. 800;

c. 871, s. 3; 1957, c. 784, s. 5; 1963, c. 303, s. 1; 1967, c. 775, s. 1; 1973, c. 793, ss. 30, 31; c. 1223, s. 5; 1975, c. 234, s. 2.)

Editor's Note. — The 1975 amendment inserted "or judge of elections, or special library registration deputy" near the end of the introductory paragraph of subsection (b).

Good Faith of Party Change Is Subject to Challenge. — When a member of either party desires to change his party affiliation, the good faith of the change is a proper subject of inquiry and challenge. Clark v. Meyland, 261 N.C. 140, 134 S.E.2d 168 (1964).

But Participation in Primary Cannot Be Denied by Unconstitutional Oath. — Membership in a party and a right to participate in its primary may not be denied an elector because he refuses to take an oath to vote in a manner which violates the constitutional provision that elections shall be free. Clark v. Meyland, 261 N.C. 140, 134 S.E.2d 168 (1964).

Any elector who offers sufficient proof of his intent, in good faith, to change his party affiliation cannot be required to bind himself by an oath, the violation of which, if not sufficient to brand him as a felon, would certainly be sufficient to operate as a deterrent to his exercising a free choice among available candidates in the election—even by casting a write-in ballot. Clark v. Meyland, 261 N.C. 140, 134 S.E.2d 168 (1964).

An oath to support future candidates violates the principle of freedom of conscience. Clark v. Meyland, 261 N.C. 140, 134 S.E.2d 168 (1964).

The legislature is without power to shackle a voter's conscience by requiring an oath requiring an elector to vote for future candidates, as a price to pay for his right to participate in his party's primary. Clark v. Meyland, 261 N.C. 140, 134 S.E.2d 168 (1964).

And Denies Free Ballot. — An oath to support future candidates denies a free ballot—one that is cast according to the dictates of the voter's judgment. Clark v. Meyland, 261 N.C. 140, 134 S.E.2d 168 (1964).

§ 163-75. Appeal from denial of registration. — Any person who is denied registration for any reason may appeal the decision of the precinct registrar to the board of elections of the county in which the precinct is located. The person appealing shall file notice of his appeal with the county board of elections and with the registrar who refused to register him by 5:00 P.M. on the day following the day of denial. The notice of appeal shall be in writing, signed by the appealing party, and shall set forth the name, age, and address of the appealing party; it shall also state the reasons for the appeal. (1957, c. 287, s. 2; 1967, c. 775, s. 1.)

Applied in Hall v. Wake County Bd. of Elections, 280 N.C. 600, 187 S.E.2d 52 (1972).

§ 163-76. Hearing on appeal before county board of elections. — Any registrar receiving a notice of appeal from denial of registration shall file the notice with the county board of elections by 5:00 P.M. on the day following the day on which he receives it. Every person appealing to the county board of elections from denial of registration shall be entitled to a prompt and fair hearing on the question of his right and qualifications to register as a voter. All cases on appeal to a county board of elections shall be heard de novo.

Two members of the county board of elections shall constitute a quorum for the purpose of hearing appeals on questions of registration. The decision of a majority of the members of the board shall be the decision of the board. The board is authorized to subpoena witnesses and to compel their attendance and testimony under oath, and it is further authorized to subpoena papers and documents relevant to any matters pending before the board.

If at the hearing the board shall find that the person appealing from the decision of the registrar is able to read and write any section of the Constitution of North Carolina in the English language, and if the board further finds that the appellant meets all other requirements of law for registration as a voter in the precinct in which application was made, the board shall enter an order to

the precinct registrar directing that the appellant be registered as a voter in the precinct from which the appeal was taken. The county board of elections shall not order the applicant registered in any precinct other than that from which the appeal was taken. Not later than five days after an appeal is heard before the county board of elections, the board shall give notice of its decision to the appealing party. (1957, c. 287, s. 3; 1967, c. 775, s. 1.)

Applied in Hall v. Wake County Bd. of Elections, 280 N.C. 600, 187 S.E.2d 52 (1972).

§ 163-77. Appeal from county board of elections to superior court. — Any person aggrieved by a final decision of a county board of elections denying registration may at any time within 10 days from the date on which he receives notice of the decision appeal therefrom to the superior court of the county in which the board is located. Upon such an appeal, the appealing party shall be the plaintiff and the county board of elections shall be the defendant, and the matter shall be heard de novo in the superior court in the manner in which other civil actions are tried and disposed of therein.

If the decision of the court be that the order of the county board of elections shall be set aside, then the court shall enter its order so providing and adjudging that the plaintiff is entitled to be registered as a qualified voter in the precinct in which he originally made application to register, and in such case the plaintiff's name shall be entered in the registration book of that precinct. The court shall not order the registration of any person in a precinct in which he did not apply to register prior to the proceeding in court.

From the judgment of the superior court an appeal may be taken to the appellate division in the same manner as other appeals are taken from judgments of that court in civil actions. (1957, c. 287, s. 4; 1967, c. 775, s. 1; 1969, c. 44, s. 82.)

Applied in Hall v. Wake County Bd. of Elections, 280 N.C. 600, 187 S.E.2d 52 (1972).

§ 163-78. New registration; when permanent registration certificates lost or destroyed. — If all of the permanent registration certificates, required by G.S. 163-65, for any precinct, for the entire county, or for any municipality, are, prior to 30 days preceding any primary, general or special elections, lost or destroyed by theft, fire, or other hazard, the county or municipal board of elections shall promptly provide the precinct registrar of each affected precinct with new loose-leaf registration books and new applications for registration, and shall order a new registration of qualified persons in each affected precinct. The new registration shall be conducted at the times and places in the manner prescribed by G.S. 163-67(a). The board of elections shall give notice that a new registration is in process by advertisement in a newspaper having general circulation in the county and by posting notice at the courthouse door. The notice shall state that a new registration is in process, and the location of the voting place and the name of the registrar in each affected precinct.

If the destruction or mutilation of the precinct registration book occurs less than 30 days before any primary, general, or special election, the board of elections shall, insofar as time will permit, adhere to the provisions of the first paragraph of this section. If the time available makes it impossible to conduct a new registration in the affected precinct, each person presenting himself to vote in the precinct on the day of the ensuing general or special election shall be allowed to cast his ballot after signing and delivering to the registrar an affidavit in the following form:

"I, ..., do solemnly swear (or affirm) that I will support the Constitution of the United States, and the Constitution of the State of North Carolina not inconsistent therewith; that I have been a resident of the State of North Carolina and of this precinct or municipality for 30 days; that I am at least 18 years of age; and that I have not registered to vote in any other precinct, county, municipality or state, so help me, God."

If the ensuing election is a primary rather than a general or special election, the following affidavit shall be used:

"I, ..., do solemnly swear (or affirm) that I will support the Constitution of the United States, and the Constitution of the State of North Carolina not inconsistent therewith; that I have been or will have been a resident of the State of North Carolina and of this precinct or municipality for 30 days by the date of the next general election; that I am at least 18 years of age or will be by the date of the next general election; and that I have not registered to vote in any other precinct, county, municipality, or state, so help me, God."

Persons permitted to vote under this procedure may be challenged in accordance with the provisions of G.S. 163-87 and G.S. 163-88. The registrar shall deliver all affidavits deposited with him to the board of elections on canvass day. The affidavits shall not be deemed to constitute a new record of registration for the precinct, county or municipality for subsequent primaries and elections. (1901, c. 89, s. 18; 1905, c. 510; Rev., ss. 4314, 4323; 1909, c. 894; C. S., ss. 5935, 5947; 1921, c. 181, s. 3; 1923, c. 111, s. 3; 1933, c. 165, ss. 3, 5; 1947, c. 475; 1953, c. 843; 1955, c. 800; 1957, c. 784, s. 3; 1961, c. 382; 1963, c. 303, s. 2; 1967, c. 775, s. 1; 1971, c. 1231, s. 1; 1973, c. 793, s. 32.)

Local Modification to Former § 163-23. — Graham: 1957, c. 119.

§ 163-79. Alternate oaths by voters and registrants. — In the event any person taking any of the oaths in G.S. 163-72, G.S. 163-74(a), G.S. 163-74(b), G.S. 163-74(c), and G.S. 163-78(b) objects to the phrase "so help me, God" appearing at the end of said oaths, the words "I do so affirm" may be substituted therefor. (1973, c. 184.)

Editor's Note. — Section 163-78, referred to in this section, no longer contains a subsection (b).

§ 163-80. Officers authorized to register voters. — (a) Only the following election officials shall be authorized to register voters:

(1) Any member of a county board of elections who has been duly appointed pursuant to G.S. 163-22(c) and properly installed as required by G.S. 163-30 and 163-31.

(2) The executive secretary of a county board of elections appointed pursuant to the provisions of G.S. 163-35.

(3) Precinct registrars and judges of election appointed pursuant to the provisions of G.S. 163-41.

(4) Special registration commissioners appointed pursuant to the authority and limitation contained in G.S. 163-41(b).

(5) Full-time and salaried deputy executive secretaries employed by the county board of elections and who work under the direct supervision of the board's executive secretary appointed pursuant to the provisions contained in G.S. 163-35.

(6) Local public library employees designated by the governing board of such public library to be appointed by the county board of elections as special library registration deputies. Persons appointed under this

subsection shall be given the oath contained in G.S. 163-41(b), and shall be authorized to accept applications to register on those days and during those hours said special deputies are on duty with their respective libraries.

(b) All election officials authorized to register voters under authority of this section shall not be authorized to register voters who reside outside the boundaries of their respective counties except in those specific instances involving municipalities which lie within the boundaries of two or more counties. The State Board of Elections shall have authority to promulgate rules for the processing of voters in such instances.

(c) All election officials authorized by this section to register voters shall register any qualified voter without regard to political party affiliation and without discrimination in any manner whatsoever.

(d) The State Board of Elections shall promulgate rules for the proper training of those persons qualifying under this section as registrars. (1975, c. 234, s. 1.)

§§ 163-81 to 163-83: Reserved for future codification purposes.

ARTICLE 8.

Challenges.

§ 163-84. Time for challenge other than on day of primary or election. — The registration records of each county shall be open to inspection by any registered voter of the county, including any registrar or judge of elections, during the normal business hours of the county board of elections on the days when the board's office is open pursuant to G.S. 163-67. At those times the right of any person to register, remain registered, or vote shall be subject to objection and challenge. (1901, c. 89, s. 19; Rev., s. 4339; C. S., s. 5972; 1929, c. 164, s. 36; 1953, c. 843; 1955, c. 800; c. 871, s. 7; 1959, c. 616, s. 2; 1963, c. 303, s. 1; 1967, c. 775, s. 1; 1973, c. 793, s. 33.)

Remedy for Irregular Registration. — Where it is alleged that the registration of voters in a primary municipal election was irregular and fraudulent, and the plaintiffs seek mandamus to compel a proper registration, and the statute and the charter of the city under which the election is to be held provided for challenge to voters so registered, mandamus being a proceeding in equity will not be issued, there being an adequate remedy at law by way of challenge provided by statute. Glenn v. Culbreth, 197 N.C. 675, 150 S.E. 332 (1929).

§ 163-85. Challenge procedures other than on day of primary or election. — (a) Who May Challenge. — Any registered voter of the county may challenge the right of any person to register, remain registered, or vote in the county.

(b) To Whom Challenge Made; Form and Nature of Challenge. — Challenges shall be made to the county board of elections. Each challenge shall be made separately. The burden of proof shall be on the challenger in each case. Each challenge shall be made in writing and, if they are available, shall be made on forms prescribed by the State Board of Elections. Each challenge shall specify the reasons why the challenged voter is not entitled to be or remain registered or to vote. The challenge shall be signed by the challenger and shall set forth the challenger's address.

(c) Recording Challenge. — When a challenge is made, the official to whom it is made shall write the word "challenged" in pencil in the registration records beside the name of the person who is challenged. The official then shall prepare a written notice of the challenge, stating succinctly the grounds asserted. As soon as the challenge has been recorded, the official shall also set a time and place at which the merits of the challenge shall be heard. The official shall serve the notice of the time and place of the hearing on the challenged person either

in person or by leaving a copy of the notice at the place of residence of the challenged person, as shown on the registration records. The official receiving the challenge shall also furnish the challenger with a copy of the notice either in person or by leaving it at the challenger's place of residence, as shown on the registration records.

(d) If the challenge is based on the challenged person's removal of his permanent residence to another county or state, the official receiving the challenge shall not set a time and place for the hearing to be held before the next ensuing primary or election day, but if the challenged person appears and seeks to vote on that day, the challenge shall be heard and decided as if it were held on that day. (1901, c. 89, s. 19; Rev., s. 4339; C. S., s. 5972; 1953, c. 843; 1955, c. 800; 1963, c. 303, s. 1; 1967, c. 775, s. 1; 1973, c. 793, s. 34.)

§ 163-86. Challenge hearings other than on day of primary or election. — (a) Hearing on Challenge Made prior to Primary or Election Day. — A challenge entered on a day other than the day of a primary or election shall be heard and decided before the date of the next ensuing primary or election. Challenges shall be heard and decided by the county board of elections.

At the time and place set for the hearing on a challenge entered prior to the date of a primary or election, the county board of elections shall explain to the challenged registrant the qualifications for registration and voting in this State. The board chairman, or in his absence the board secretary, shall then administer the following oath to the challenged registrant:

"You swear (or affirm) that the statements and information you shall give in this hearing with respect to your identity and qualifications to be registered and to vote shall be the truth, the whole truth, and nothing but the truth, so help you, God."

After swearing the challenged registrant, the board shall examine him as to his qualifications to be registered and to vote. If the challenged registrant insists that he is qualified, the board shall tender to him the following oath or affirmation:

"You do solemnly swear (or affirm) that you are a citizen of the United States; that you are at least 18 years of age or will become 18 by the date of next general election; that you have or will have resided in this State and in the precinct for which registered for 30 days by the date of the next general election; that you are not disqualified from voting by the Constitution and laws of this State; that your name is . . . . . ., and that in such name you were duly registered as a voter of . . . . . precinct; and that you are the person you represent yourself to be; so help you, God."

If the challenged registrant refuses to take the tendered oath, or submit to the board the affidavit required by subsection (b), below, the challenge shall be sustained and the board shall delete his name from the registration records. If the challenged registrant takes the tendered oath, the board may, nevertheless, sustain the challenge unless it is satisfied that the challenged registrant is a legal voter. If it is satisfied that he is a legal voter, it shall overrule the challenge and erase the word "challenged" which appears by the voter's name in the registration records.

The board, in conducting hearings on challenges, shall have authority to subpoena any witnesses it may deem appropriate, and administer the necessary oaths or affirmations to all witnesses brought before it to testify to the qualifications of the person challenged.

(b) Appearance by Challenged Registrant. — The challenged registrant shall appear in person at the challenge hearing. If he is unable to appear in person, he may be represented by another person and must tender to the county board of elections an affidavit that he is a citizen of the United States, is at least 18 years of age or will become 18 by the date of the next general election, has or will have resided in this State and in the precinct for which registered for 30

days by the date of the next general election, is not disqualified from voting by the Constitution and laws of this State, is named . . . . . and was duly registered as a voter of . . . . . precinct in such name, and is the person represented to be by the affidavit. (1901, c. 89, s. 22; Rev., s. 4340; C. S., s. 5973; 1955, c. 871, s. 2; 1967, c. 775, s. 1; 1971, c. 1231, s. 1; 1973, c. 793, s. 35.)

§ 163-87. Challenges allowed on day of primary or election. — On the day of a primary or election, at the time a registered voter offers to vote, any other registered voter of the precinct may exercise the right of challenge, and when he does so may enter the voting enclosure to make the challenge, but he shall retire therefrom as soon as the challenge is heard.

On the day of a party primary, any voter of the precinct who is registered as a member of the political party conducting the primary may, at the time any registrant proposes to vote, challenge his right to vote upon the ground that he does not affiliate with the party conducting the primary or does not in good faith intend to support the candidates nominated in that party's primary, and it shall be the duty of the registrar and judges of election to determine whether or not the challenged registrant has a right to vote in that primary according to the procedures prescribed in G.S. 163-88. (1915, c. 101, s. 11; 1917, c. 218; C. S., s. 6031; 1921, c. 181, s. 6; 1923, c. 111, s. 14; 1929, c. 164, s. 36; 1953, c. 843; 1955, c. 800; c. 871, s. 7; 1959, c. 616, s. 2; c. 1203, s. 7; 1963, c. 303, s. 1; 1967, c. 775, s. 1.)

Voter Need Not Support Candidates of Party in Whose Primary He Voted. — The right of a qualified elector to vote in party primaries is confined to the primary of the existing political party with which he affiliates at the time of the holding of the primary. But the voter is not deprived of complete liberty of conscience or conduct in the future in the event he rightly or wrongly comes to the conclusion subsequent to the primary that it is no longer desirable for him to support the candidates of the party in whose primary he has voted. States' Rights Democratic Party v. State Bd. of Elections, 229 N.C. 179, 49 S.E.2d 379 (1948).

§ 163-88. Hearing on challenge made on day of primary or election. — A challenge entered on the day of a primary or election shall be heard and decided by the registrar and judges of election of the precinct in which the challenged registrant is registered before the polls are closed on the day the challenge is made. When the challenge is heard the precinct officials conducting the hearing shall explain to the challenged registrant the qualifications for registration and voting in this State, and shall examine him as to his qualifications to be registered and to vote. If the challenged registrant insists that he is qualified, and if, by the sworn testimony of at least one registered voter of the precinct, he shall prove his identity with the person in whose name he offers to vote and his continued residence in the precinct since he was registered, one of the judges of election or the registrar shall tender to him the following oath or affirmation, omitting the portions in brackets if the challenge is heard on the day of an election other than a primary:

"You do solemnly swear (or affirm) that you are a citizen of the United States; that you are at least 18 years of age [or will become 18 by the date of the next general election]; that you have [or will have] resided in this State and in the precinct for which registered for 30 days [by the date of the next general election]; that you are not disqualified from voting by the Constitution and laws of this State; that your name is . . . . . ., and that in such name you were duly registered as a voter of this precinct; that you are the person you represent yourself to be; [that you are affiliated with the . . . . . party]; and that you have not voted in this [primary] election at this or any other voting place. So help you, God."

If the challenged registrant refuses to take the tendered oath, the challenge shall be sustained, and the precinct officials conducting the hearing shall mark

the registration records to reflect their decision, and they shall erase the challenged registrant's name from the pollbook if it has been entered therein. If the challenged registrant takes the tendered oath, the precinct officials conducting the hearing may, nevertheless, sustain the challenge unless they are satisfied that the challenged registrant is a legal voter. If they are satisfied that he is a legal voter, they shall overrule the challenge and permit him to vote. Whenever any person's vote is received after having taken the oath prescribed in this section, the registrar or one of the judges of election shall write on the registration record and on the pollbook opposite the registrant's name the word "sworn."

Precinct election officials conducting hearings on challenges on the day of a primary or election shall have authority to administer the necessary oaths or affirmations to all witnesses brought before them to testify to the qualifications of the person challenged. (1901, c. 89, s. 22; Rev., s. 4340; C. S., s. 5973; 1955, c. 871, s. 2; 1967, c. 775, s. 1; 1971, c. 1231, s. 1; 1973, c. 1223, s. 6.)

§ 163-89. Procedures for challenging absentee ballots. — (a) Time for Challenge. — The absentee ballot of any voter may be challenged on the day of any statewide primary or general election or county bond election beginning no earlier than noon and ending no later than 5:00 P.M., or by the registrar at the time of closing of the polls as provided in G.S. 163-233 and G.S. 163-251(b).

(b) Who May Challenge. — Any registered voter of the same precinct as the absentee voter may challenge that voter's absentee ballot.

(c) Form and Nature of Challenge. — Each challenged absentee ballot shall be challenged separately. The burden of proof shall be on the challenger. Each challenge shall be made in writing and, if they are available, shall be made on forms prescribed by the State Board of Elections. Each challenge shall specify the reasons why the ballot does not comply with the provisions of this Article or why the absentee voter is not legally entitled to vote in the particular primary or election. The challenge shall be signed by the challenger.

(d) To Whom Challenge Addressed; to Whom Challenge Delivered. — Each challenge shall be addressed to the county board of elections. It may be filed with the board at its offices or with the registrar of the precinct in which the challenger and absentee voter are registered. If it is delivered to the registrar, the registrar shall personally deliver the challenge to the chairman of the county board of elections on the day of the county canvass.

(e) Hearing Procedure. — All challenges filed under this section shall be heard by the county board of elections on the day set for the canvass of the returns. All members of the board shall attend the canvass and all members shall be present for the hearing of challenges to absentee ballots.

Before the board hears a challenge to an absentee ballot, the chairman shall mark the word "challenged" after the voter's name in the register of absentee ballot applications and ballots issued and in the pollbook of absentee voters.

The board then shall hear the challenger's reasons for the challenge, and it shall make its decision without opening the container-return envelope or removing the ballots from it.

The board shall have authority to administer the necessary oaths or affirmations to all witnesses brought before it to testify to the qualifications of the voter challenged or to the validity or invalidity of the ballot.

If the challenge is sustained, the chairman shall mark the word "sustained" after the word "challenged" following the voter's name in the register of absentee ballot applications and ballots issued and in the pollbook of absentee voters; the voter's ballots shall not be counted; and the container-return envelope shall not be opened but shall be marked "Challenge Sustained." All envelopes so marked shall be preserved intact by the chairman for a period of six months from canvass day or longer if any contest then is pending concerning the validity of any absentee ballot.

If the challenge is overruled, the absentee ballots shall be removed from the container-return envelopes and counted by the board of elections, and the board shall adjust the appropriate abstracts of returns to show that the ballots have been counted and tallied in the manner provided for unchallenged absentee ballots.

If the challenge was delivered to the board by the registrar of the precinct and was sustained, the board shall reopen the appropriate ballot boxes, remove such ballots, determine how those ballots were voted, deduct such ballots from the returns, and adjust the appropriate abstracts of returns.

Any voter whose ballots have been challenged may, either personally or through an authorized representative, appear before the board at the hearing on the challenge and present evidence as to the validity of the ballot. (1939, c. 159, ss. 8, 9; 1945, c. 758, s. 8; 1953, c. 1114; 1963, c. 547, s. 8; 1965, c. 871; 1967, c. 775, s. 1; 1973, c. 536, s. 4.)

§ 163-90. Challenge as felon; answer not to be used on prosecution. — If any registered voter is challenged as having been convicted of any crime which excludes him from the right of suffrage, he shall be required to answer any question in relation to the alleged conviction, but his answers to such questions shall not be used against him in any criminal prosecution. (1901, c. 89, s. 71; Rev., s. 3388; C. S., s. 5974; 1967, c. 775, s. 1.)

§§ 163-91 to 163-95: Reserved for future codification purposes.

SUBCHAPTER IV. POLITICAL PARTIES.

ARTICLE 9.

Political Party Definition.

§ 163-96. "Political party" defined; creation of new party. — (a) Definition. — A political party within the meaning of the election laws of this State shall be either:

(1) Any group of voters which, at the last preceding general State election, polled for its candidate for governor, or for presidential electors, at least ten percent (10%) of the entire vote cast in the State for governor or for presidential electors; or

(2) Any group of voters which shall have filed with the State Board of Elections petitions for the formulation of a new political party which are signed by 10,000 persons who, at the time they sign, are registered and qualified voters in this State, and which comply with the conditions prescribed in subsection (b) of this section. To be effective, the petitioners must file their petitions with the State Board of Elections before 12:00 noon on the first day of July preceding the day on which is to be held the first general State election in which the new political party desires to participate. The State Board of Elections shall forthwith determine the sufficiency of petitions filed with it and shall immediately communicate its determination to the State chairman of the proposed new political party.

(b) Petitions for New Political Party. — Petitions for the formation of a new political party must declare that the signers intend to organize a new political party on a statewide basis, that they intend to participate as a political party in the next succeeding general election, and that they intend to affiliate with the new party by voting for its nominees.

The petitions must specify the name selected for the proposed political party. The State Board of Elections shall reject petitions for the formation of a new party if the name chosen contains any word that appears in the name of any

existing political party recognized in this State or if, in the Board's opinion, the name is so similar to that of an existing political party recognized in this State as to confuse or mislead the voters at an election.

The petitions must state the name and address of the State chairman of the proposed new political party.

The validity of the signatures on the petitions shall be proved in accordance with one of the following alternative procedures:

(1) The signers may acknowledge their signatures before an officer authorized to take acknowledgments, after which that officer shall certify the validity of the signatures by appropriate notation attached to the petition, or

(2) A person in whose presence a petition was signed may go before an officer authorized to take acknowledgments and, after being sworn, testify to the genuineness of the signatures on the petition, after which the officer before whom he has testified shall certify his testimony by appropriate notation attached to the petition.

Each petition shall be presented to the chairman of the board of elections of the county in which the signatures were obtained, and it shall be the chairman's duty:

(1) To examine the signatures on the petition and place a check mark on the petition by the name of each signer who is qualified and registered to vote in his county.

(2) To attach to the petition his signed certificate

a. Stating that the signatures on the petition have been checked against the registration records and

b. Indicating the number found qualified and registered to vote in his county.

(3) To return each petition, together with the certificate required by the preceding subdivision, to the person who presented it to him for checking.

The group of petitioners shall submit the petitions to the chairman of the county board of elections in the county in which the signatures were obtained no later than 5:00 P.M. on the fifteenth day preceding the date the petitions are due to be filed with the State Board of Elections as provided in subsection (a)(2) of this section. Provided the petitions are timely submitted, the chairman of the county board of elections shall require a fee of five cents (5¢) for each signature appearing and shall proceed to examine and verify the signatures under the provisions of this subsection. Verification shall be completed within two weeks from the date such petitions are presented and the required fee received. (1901, c. 89, s. 85; Rev., s. 4292; 1915, c. 101, s. 31; 1917, c. 218; C. S., ss. 5913, 6052; 1933, c. 165, ss. 1, 17; 1949, c. 671, ss. 1, 2; 1967, c. 775, s. 1; 1975, c. 179.)

Editor's Note. — The 1975 amendment rewrote the former last sentence of subsection (b), which merely required a fee of five cents per name, as the present last paragraph of the subsection. The amendatory act referred to the last paragraph of the section, but has been interpreted as intending to amend only the last sentence.

See 11 N.C.L. Rev. 226, for review and comment on former § 163-1, relating to the formation of new political parties. For note on definition of political parties, see 11 N.C.L. Rev. 148 et seq.

As to the 1949 amendment, which rewrote former § 163-1, see 27 N.C.L. Rev. 455.

This section and §§ 163-98, 163-122 and 163-151(2) are not available to candidate denied access to primary election ballot under § 163-107. Brown v. North Carolina State Bd. of Elections, 394 F. Supp. 359 (W.D.N.C. 1975).

The primary laws have no application to new political parties created by petition. States' Rights Democratic Party v. State Bd. of Elections, 229 N.C. 179, 49 S.E.2d 379 (1948).

Any qualified voter has the legal right to sign a petition for the creation of a new political party, irrespective of whether such voter has participated in the primary election of an existing political party during the year in which the petition is signed, and regulations of the State Board of Elections are invalid if they undertake to establish and enforce the rule that

a qualified voter is ineligible to join in a petition for the creation of a new political party during a year in which he has voted in the primary election of an existing political party. States' Rights Democratic Party v. State Bd. of Elections, 229 N.C. 179, 49 S.E.2d 379 (1948).

Duty of State Board of Elections. — Upon the filing of a petition for the creation of a new political party, it is the duty of the State Board of Elections, in the first instance, to determine whether the petition is in accordance with the statutory requirements. States' Rights Democratic Party v. State Bd. of Elections, 229 N.C. 179, 49 S.E.2d 379 (1948).

Notice and Hearing Required before Rejection of Petition. — Manifestly the statutes creating the State Board of Elections and defining its duties contemplate that the Board shall give petitioners for the creation of a new political party notice and an opportunity to be heard in support of their petition before rejecting it or adjudging it insufficient. Indeed, notice and hearing in such case are necessary to meet the constitutional requirement of due process of law. States' Rights Democratic Party v. State Bd. of Elections, 229 N.C. 179, 49 S.E.2d 379 (1948).

§ 163-97. Termination of status as political party. — When any political party fails to poll for its candidate for governor, or for presidential electors, at least ten percent (10%) of the entire vote cast in the State for governor or for presidential electors at a general election, it shall cease to be a political party within the meaning of the primary and general election laws and all other provisions of this Chapter. (1901, c. 89, s. 85; Rev., s. 4292; C. S., s. 5913; 1933, c. 165, s. 1; 1949, c. 671, s. 1; 1967, c. 775, s. 1.)

§ 163-97.1. Voters affiliated with expired political party. — The State Board of Elections shall be authorized to promulgate appropriate procedures to order the county boards of elections to change the registration affiliation of all voters who are recorded on the voter registration books as being affiliated with a political party which has lost its legal status as provided in G.S. 163-97. The State Board of Elections shall not implement the authority contained in this section earlier than 90 days following the certification of the election in which the political party failed to continue its legal status as provided in G.S. 163-97. All voters affiliated with such expired political party shall be changed to "no party" designation by the State Board's order and all such registrants shall be entitled to declare a political party affiliation on primary election day, consistent with the provisions contained in G.S. 163-74(a). (1975, c. 789.)

§ 163-98. General election participation by new political party. — In the first general election following the date on which a new political party qualifies under the provisions of G.S. 163-96, it shall be entitled to have the names of its candidates for State, congressional, and national offices printed on the official ballots, but it shall not be entitled to have the names of candidates for other offices printed on State, district, or county ballots at that election.

For the first general election following the date on which it qualifies under G.S. 163-96, a new political party shall select its candidates by party convention. Following adjournment of the nominating convention, but not later than the first day of August prior to the general election, the president of the convention shall certify to the State Board of Elections the names of persons chosen in the convention as the new party's candidates for State, congressional, and national offices in the ensuing general election. The State Board of Elections shall print names thus certified on the appropriate ballots as the nominees of the new party. (1901, c. 89, s. 85; Rev., s. 4292; C. S., s. 5913; 1933, c. 165, s. 1; 1949, c. 671, s. 1; 1967, c. 775, s. 1.)

This section and §§ 163-96, 163-122 and 163-151(2) are not available to candidate denied access to primary election ballot under § 163-107. Brown v. North Carolina State Bd. of Elections, 394 F. Supp. 359 (W.D.N.C. 1975).

§ 163-99. Use of schools and other public buildings for political meetings. — The governing authority having control over schools or other public buildings which have facilities for group meetings, or where polling places are located, is hereby authorized and directed to permit the use of such buildings without charge, except custodial and utility fees, by political parties, as defined in G.S. 163-96, for the express purpose of biennial precinct meetings and county and district conventions. Provided, that the use of such buildings by political parties shall not be permitted at times when school is in session or which would interfere with normal school activities or functions normally carried on in such buildings, and such use shall be subject to reasonable rules and regulations of the school boards and other governing authorities. (1975, c. 465.)

§§ 163-100 to 163-103: Reserved for future codification purposes.

SUBCHAPTER V. NOMINATION OF CANDIDATES.

ARTICLE 10.

Primary Elections.

§ 163-104. Primaries governed by general election laws; authority of State Board of Elections to modify time schedule. — Unless otherwise provided in this Chapter, primary elections shall be conducted as far as practicable in accordance with the general election laws of this State. All provisions of this Chapter and of other laws governing elections, not inconsistent with this Article and other provisions of law dealing specifically with primaries, shall apply as fully to primary elections and to the acts and things done thereunder as to general elections. Nevertheless, for purposes of primary elections the State Board of Elections may, by general rule, modify the general election law time schedule with regard to ascertaining, declaring, and reporting results.

All acts made criminal if committed in connection with a general election shall likewise be criminal, with the same punishment, when committed in a primary election held under the provisions of this Chapter. (1915, c. 101, s. 3; 1917, c. 218; C. S., s. 6020; 1967, c. 775, s. 1.)

Local Modification to Former §§ 163-117 to 163-147. — Session Laws 1945, c. 894, repealed former Article 19, relating to primaries, insofar as its provisions apply to the nomination of Democratic candidates for the General Assembly and county offices in Mitchell County.

Session Laws 1957, c. 826, as amended by Session Laws 1959, c. 621, s. 2, provided that the former Article should not apply to nominations of Democratic candidates for county offices and members of the House of Representatives in Cherokee County, but such candidates should be nominated by convention of the Democratic Party.

Session Laws 1961, c. 484, provided that the former Article should not apply to nominations of Republican candidates for county offices and members of the General Assembly in Cherokee County, but such candidates should be nominated by conventions of the Republican Party.

Session Laws 1953, c. 1069, as amended by Session Laws 1959, c. 238, made the former Article applicable to Watauga County. Session Laws 1955, c. 439, to the extent provided, made the former Article applicable to Yancey County. Session Laws 1955, c. 442, made the former Article applicable to the Counties of Avery, Madison, Mitchell and Yancey for the purpose of nominating Democratic candidates for the State Senate.

Former Article Held Constitutional. — See McLean v. Durham County Bd. of Elections, 222 N.C. 6, 21 S.E.2d 842 (1942).

Construction of Former Article. — See Phillips v. Slaughter, 209 N.C. 543, 183 S.E. 897 (1936); McLean v. Durham County Bd. of Elections, 222 N.C. 6, 21 S.E.2d 842 (1942).

The manifest purposes of the primary system set up by our laws is to secure to the members of an existing political party freedom of choice of candidates, and to confine the right of qualified electors to vote in party primaries to the primary of the existing political party of which they are members at the time of holding of such primary. States' Rights Democratic Party v. State Bd. of Elections, 229 N.C. 179, 49 S.E.2d 379 (1948).

There is a well-defined distinction between a primary election and a regular election. A primary election is a means provided by law whereby members of a political party select by ballot candidates or nominees for office; whereas a regular election is a means whereby officers are elected and public offices are filled according to established rules of law. In short, a primary election is merely a mode of choosing candidates of political parties, whereas a regular election is the final choice of the entire electorate. Rider v. Lenoir County, 236 N.C. 620, 73 S.E.2d 913 (1952); Ponder v. Joslin, 262 N.C. 496, 138 S.E.2d 143 (1964).

The primary laws have no application to new political parties created by petition. States' Rights Democratic Party v. State Bd. of Elections, 229 N.C. 179, 49 S.E.2d 379 (1948).

§ 163-105. Payment of expense of conducting primary elections. — The expense of printing and distributing the poll and registration books, blanks, and ballots for those offices required by G.S. 163-108(b) to be furnished by the State, and the per diem and expenses of the State Board of Elections while engaged in the discharge of primary election duties imposed by law upon that Board, shall be paid by the State.

The expenses of printing and distributing the ballots for those offices required by G.S. 163-108(c) to be furnished by counties, and the per diem (or salary) and expenses of the county board of elections and the registrars and judges of election, while engaged in the discharge of primary election duties imposed by law upon them, shall be paid by the counties. (1915, c. 101, s. 7; 1917, c. 218; C. S., s. 6026; 1927, c. 260, s. 21; 1933, c. 165, s. 14; 1967, c. 775, s. 1.)

§ 163-106. Notices of candidacy; pledge; with whom filed; date for filing; withdrawal. — (a) Notice and Pledge. — No one shall be voted for in a primary election unless he shall have filed a notice of candidacy with the appropriate board of elections, State or county, as required by this section. To this end every candidate for selection as the nominee of a political party shall file with and place in the possession of the board of elections specified in subsection (c) of this section, a notice and pledge in the following form:

"Date .....

I hereby file notice as a candidate for nomination as .... in the ..... party primary election to be held on ...., 19..... I affiliate with the ..... party, (and I certify that I am now registered on the registration records of the precinct in which I reside as an affiliate of the ..... party.)

I pledge that if I am defeated in the primary, I will not run for any office as a write-in candidate in the next general election.

Signed .....
Name of candidate

Witness:

.....

.....
(Title of witness)"

Each candidate shall sign his notice of candidacy in the presence of the chairman or secretary of the board of elections, State or county, with which he files. In the alternative, a candidate may have his signature on the notice of candidacy acknowledged and certified to by an officer authorized to take acknowledgments and administer oaths, in which case the candidate may mail his notice of candidacy to the appropriate board of elections.

In signing his notice of candidacy the candidate shall use only his legal name and, in his discretion, any nickname by which he is commonly known.

A notice of candidacy signed by an agent or any person other than the candidate himself shall be invalid.

Prior to the seventh Saturday before the primary, at State expense, the State Board of Elections shall print and furnish to each county board of elections a

sufficient number of the notice of candidacy forms prescribed by this subsection for use by candidates required to file with county boards of elections.

(b) Eligibility to File. — No person shall be permitted to file as a candidate in a primary if, at the time he offers to file notice of candidacy, he is registered on the appropriate registration book or record as an affiliate of a political party other than that in whose primary he is attempting to file. No person who has changed his political party affiliation, as permitted in G.S. 163-74(b), shall be permitted to file as a candidate in the primary of the party to which he changed unless he has been affiliated with the political party in which he seeks to be a candidate for at least three months prior to the filing date for the office for which he desires to file his notice of candidacy.

A person registered as an independent shall be ineligible to file as a candidate in a primary election.

A person registered with no record of party affiliation shall be ineligible to file as a candidate in a primary election.

An unregistered person who desires to become a candidate in a party primary may do so if, at the time he files notice of candidacy, he signs and deposits with the election official with whom he files, a written pledge that he will, during the registration period prior to the next primary, register as an affiliate of the political party in whose primary he intends to run as a candidate. This may be accomplished by inserting in lieu of the bracketed phrase in the notice form set out in subsection (a) of this section, the following: "And I certify that I will register on the registration book or record of the precinct in which I reside as an affiliate of the ..... party prior to the date of the primary in which I seek nomination."

(c) Time for Filing Notice of Candidacy. — Candidates seeking party primary nominations for the following offices shall file their notice of candidacy with the State Board of Elections no earlier than 12:00 noon on the first Monday in April and no later than 12:00 noon on the last Friday in May preceding the primary:

Governor
Lieutenant Governor
All State executive officers
Justices of the Supreme Court, Judges of the Court of Appeals
Judges of the superior courts
Judges of the district courts
United States Senators
Members of the House of Representatives of the United States
District attorneys

Candidates seeking party primary nominations for the following offices shall file their notice of candidacy with the county board of elections no earlier than 12:00 noon on the first Monday in April and no later than 12:00 noon on the last Friday in May preceding the primary:

State Senators
Members of the State House of Representatives
All county offices
All township offices.

(d) Notice of Candidacy for Certain Offices to Indicate Vacancy. — In any primary in which there are two or more vacancies for Chief Justice and associate justices of the Supreme Court, two or more vacancies for judge of the Court of Appeals, or two vacancies for United States Senator from North Carolina, or two or more vacancies for the office of superior court judge or two or more vacancies for the office of district court judge to be filled by nominations, each candidate shall, at the time of filing notice of candidacy, file with the State Board of Elections a written statement designating the vacancy to which he seeks nomination. Votes cast for a candidate shall be effective only for his nomination to the vacancy for which he has given notice of candidacy as provided in this subsection.

A person seeking party nomination for a specialized district judgeship established under G.S. 7A-147 shall, at the time of filing notice of candidacy, file with the State Board of Elections a written statement designating the specialized judgeship to which he seeks nomination.

(e) Withdrawal of Notice of Candidacy. — Any person who has filed notice of candidacy for an office shall have the right to withdraw it at any time prior to the date on which the right to file for that office expires under the terms of subsection (c) of this section. (1915, c. 101, ss. 6, 15; 1917, c. 218; C. S., ss. 6022, 6035; 1921, c. 217; 1923, c. 111, s. 13; C. S., s. 6055(a); 1927, c. 260, s. 19; 1929, c. 26, s. 1; 1933, c. 165, s. 12; 1937, c. 364; 1947, c. 505, s. 7; 1949, c. 672, s. 4; c. 932; 1951, c. 1009, s. 3; 1955, c. 755; c. 871, s. 1; 1959, c. 1203, s. 4; 1965, c. 262; 1967, c. 775, s. 1; c. 1063, s. 2; 1969, c. 44, s. 83; c. 1190, s. 56; 1971, cc. 189, 675, 798; 1973, c. 47, s. 2; c. 793, s. 36; c. 862; 1975, c. 844, s. 2.)

Editor's Note. — The 1975 amendment rewrote subsection (c).

Attention is directed to an inconsistency between subsections (a) and (c) of this section. Subsection (a) requires the State Board of Elections to furnish notice-of-candidacy forms to county boards of elections "prior to the seventh Saturday before the primary," which date must fall in July, while subsection (c) requires candidates to file their notices of candidacy "no later than 12:00 noon on the last Friday in May preceding the primary."

Obligation Imposed upon Candidate. — Former § 163-119 attempted to place upon a candidate seeking nomination to public office in the primary election of an existing political party an obligation to adhere to such existing political party for at least a limited time in the future. States' Rights Democratic Party v. State Bd. of Elections, 229 N.C. 179, 49 S.E.2d 379 (1948).

Effect of Failure to Indicate Vacancy. — Where there are two vacancies for the office of Associate Justice of the Supreme Court to be filled at the general election, a notice of candidacy for the nomination of a party which does not specify to which of the vacancies the candidate is asking the nomination is fatally defective. Ingle v. State Bd. of Elections, 226 N.C. 454, 38 S.E.2d 566 (1946).

Numbering of Seats Impossible. — Since § 163-117 (now repealed) is unconstitutional the seats may not be numbered and it will thus be impossible for candidates to comply with subsection (d) of this section. Dunston v. Scott, 336 F. Supp. 206 (E.D.N.C. 1972).

Action against County Board Improper. — Action challenging refusal to place candidate on primary election ballot against a county board of elections and its individual members was dismissed on the ground that they were not proper parties to action because the State statute requires that candidates for Congress file with the State Board of Elections and county board has no authority to accept or reject such applications. Brown v. North Carolina State Bd. of Elections, 394 F. Supp. 359 (W.D.N.C. 1975).

§ 163-107. Filing fees required of candidates in primary; refunds. — (a) Fee Schedule. — At the time of filing a notice of candidacy, each candidate shall pay to the board of elections with which he files under the provisions of G.S. 163-106 a filing fee for the office he seeks in the amount specified in the following tabulation:

Office Sought	Amount of Filing Fee
Governor	One percent (1%) of the annual salary of the office sought
Lieutenant Governor	One percent (1%) of the annual salary of the office sought
All State executive offices	One percent (1%) of the annual salary of the office sought
All Justices, Judges, and Solicitors of the General Court of Justice	One percent (1%) of the annual salary of the office sought
United States Senator	One percent (1%) of the annual salary of the office sought
Members of the United States House of Representatives	One percent (1%) of the annual salary of the office sought

Office Sought	Amount of Filing Fee
State Senator	One percent (1%) of the annual salary of the office sought
Member of the State House of Representatives	One percent (1%) of the annual salary of the office sought
All county offices not compensated by fees	One percent (1%) of the annual salary of the office sought
County commissioners, if compensated entirely by fees	Ten dollars ($10.00)
Members of county board of education, if compensated entirely by fees	Five dollars ($5.00)
Sheriff, if compensated entirely by fees	Forty dollars ($40.00), plus one percent (1%) of the income of the office above four thousand dollars ($4,000)
Clerk of superior court, if compensated entirely by fees	Forty dollars ($40.00), plus one percent (1%) of the income of the office above four thousand dollars ($4,000)
Register of deeds, if compensated entirely by fees	Forty dollars ($40.00), plus one percent (1%) of the income of the office above four thousand dollars ($4,000)
Any other county office, if compensated entirely by fees	Twenty dollars ($20.00), plus one percent (1%) of the income of the office above two thousand dollars ($2,000)
All county offices compensated partly by salary and partly by fees	One percent (1%) of the first annual salary to be received (exclusive of fees)

(b) Refund of Fees. — If any person who has filed a notice of candidacy and paid the filing fee prescribed in subsection (a) of this section, withdraws his notice of candidacy within the period prescribed in G.S. 163-106(e), he shall be entitled to have the fee he paid refunded. If the fee was paid to the State Board of Elections, the chairman of that Board shall certify to the Auditor that the refund should be made, and the Auditor shall give his warrant upon the Treasurer of the State who shall make the refund payment. If the fee was paid to a county board of elections, the chairman of the board shall certify to the county accountant that the refund should be made, and the county accountant shall make the refund in accordance with the provisions of the County Fiscal Control Act.

If any person files a notice of candidacy and pays a filing fee to a board of elections other than that with which he is required to file under the provisions of G.S. 163-106(c), he shall be entitled to have the fee refunded in the manner prescribed in this subsection for refund upon withdrawal of candidacy if he requests the refund before 12:00 noon, on Friday preceding the sixth Saturday before the primary. (1915, c. 101, s. 4; 1917, c. 218; 1919, cc. 50, 139; C. S., ss. 6023, 6024; 1927, c. 260, s. 20; 1933, c. 165, s. 12; 1939, c. 264, s. 2; 1959, c. 1203, s. 5; 1967, c. 775, s. 1; 1969, c. 44, s. 84; 1973, c. 793, s. 37.)

Local Modification to Former § 163-120. — Mecklenburg: 1937, c. 382; Sampson: 1941, c. 111.

Editor's Note. — For comment on the deductibility of campaign expenses, see 43 N.C.L. Rev. 1004 (1965).

Constitutionality. — Since there were no alternative means of access to the primary ballot in North Carolina, this section was held constitutionally invalid. Brown v. North Carolina State Bd. of Elections, 394 F. Supp. 359 (W.D.N.C. 1975), decided under this chapter as it stood before the enactment of § 163-107.1.

In the absence of reasonable alternative means of ballot access, a state may not, consistent with constitutional standards, require from an indigent candidate filing fees he cannot pay. Brown v. North Carolina State Bd. of Elections, 394 F. Supp. 359 (W.D.N.C. 1975).

By requiring candidates to shoulder the costs of conducting primary elections through filing fees and by providing no reasonable alternative means of access to the ballot, the State erected a system that utilized the criterion of ability to pay as a condition to being on the ballot, thus excluding some candidates otherwise qualified and denying an undetermined number of voters the opportunity to vote for candidates of their choice. Brown v. North Carolina State Bd. of Elections, 394 F. Supp. 359 (W.D.N.C. 1975), decided under this Chapter as it stood before the enactment of § 163-107.1.

For section providing for filing of a petition in lieu of payment of filing fee, see § 163-107.1.

Sections 163-96, 163-98, 163-122 and 163-151(2) are not available to candidate denied access to primary election ballot under this section. Brown v. North Carolina State Bd. of Elections, 394 F. Supp. 359 (W.D.N.C. 1975).

Filing Fee Is Not a Tax. — The filing fee is in no sense a tax within the meaning of N.C. Const., Art. II, § 23, or a local law as condemned by N.C. Const., Art. II, § 24. McLean v. Durham County Bd. of Elections, 222 N.C. 6, 21 S.E.2d 842 (1942).

§ 163-107.1. Petition in lieu of payment of filing fee. — (a) Any qualified voter who seeks nomination in the party primary of the political party with which he affiliates may, in lieu of payment of any filing fee required for the office he seeks, file a written petition requesting him to be a candidate for a specified office with the appropriate board of elections, State, county or municipal.

(b) If the candidate is seeking the office of United States Senator, Governor, Lieutenant Governor, any State executive officer, Justice of the Supreme Court or Judge of the Court of Appeals, the petition must be signed by 10,000 registered voters who are members of the political party in whose primary the candidate desires to run. The petition must be filed with the State Board of Elections not later than 12:00 noon on Monday preceding the filing deadline before the primary in which he seeks to run. The names on the petition shall be verified by the board of elections of the county where the signer is registered, and the petition must be presented to the county board of elections at least 15 days before the petition is due to be filed with the State Board of Elections. When a proper petition has been filed, the candidate's name shall be printed on the primary ballot.

(c) County, Municipal and District Primaries. — If the candidate is seeking one of the offices set forth in G.S. 163-106(c) but which is not listed in subsection (b) of this section, or a municipal or any other office requiring a partisan primary which is not set forth in G.S. 163-106(c) or (d), he shall file a written petition with the appropriate board of elections no later than 12:00 noon on Monday preceding the filing deadline before the primary. The petition shall be signed by ten percent (10%) of the registered voters of the election area in which the office will be voted for, who are affiliated with the same political party in whose primary the candidate desires to run. The board of elections shall verify the names on the petition, and if the petition is found to be sufficient, the candidate's name shall be printed on the appropriate primary ballot. Petitions for candidates for member of the U.S. House of Representatives, District Attorney, judge of the District Court and judge of the Superior Court, or members of the State House of Representatives from multi-county districts or members of the State Senate from multi-county districts must be presented to the county board of elections for verification at least 15 days before the petition is due to be filed with the State Board of Elections, and such petition must be filed with the State Board of Elections no later than 12:00 noon on Monday preceding the filing deadline.

The State Board of Elections may adopt rules to implement this section and to provide standard petition forms.

(d) Nonpartisan Primaries and Elections. — Any qualified voter who seeks to be a candidate in any nonpartisan primary or election may, in lieu of payment of the filing fee required, file a written petition signed by ten percent (10%) of the registered voters in the election area in which the office will be voted for with the appropriate board of elections. Any qualified voter may sign the petition. The petition shall state the candidate's name, address and the office which he is seeking. The petition must be filed with the appropriate board of elections no later than 60 days prior to the filing deadline for the primary or election, and if found to be sufficient, the candidate's name shall be printed on the ballot. (1975, c. 853.)

§ 163-108. Certification of notices of candidacy. — (a) Within three days after the time for filing notices of candidacy with the State Board of Elections under the provisions of G.S. 163-106(c) has expired, the chairman or secretary of that Board shall certify to the Secretary of State the name, address, and party affiliation of each person who has filed with the State Board of Elections, indicating in each instance the office sought.

(b) Prior to the fourth Saturday before the primary election, the chairman of the State Board of Elections shall certify to the chairman of the county board of elections in each county in the appropriate district the names of candidates for nomination to the following offices who have filed the required notice and pledge and paid the required filing fee to the State Board of Elections, so that their names may be printed on the official county ballots: Superior court judge, district court judge, and solicitor.

(c) In representative districts composed of more than one county and in multi-county senatorial districts the chairman or secretary of the county board of elections in each county shall, within three days after the time for filing notices of candidacy under the provisions of G.S. 163-106(c) has expired, certify to the State Board of Elections (i) the names of all candidates who have filed notice of candidacy in his county for member of the State Senate, or, if such is the fact, that no candidates have filed in his county for that office, and (ii) the names of all candidates who have filed notice of candidacy in his county for the office of member of the State House of Representatives or, if such is the fact, that no candidates have filed in his county for that office. The chairman of the county board of elections shall forward a copy of this report to the chairman of the board of elections of each of the other counties in the representative or senatorial district. Within 10 days after the time for filing notices of candidacy for those offices has expired the chairman or secretary of the State Board of Elections shall certify to the chairman of the county board of elections in each county of each multi-county representative or senatorial district the names of all candidates for the House of Representatives and Senate which must be printed on the county ballots.

(d) Within two days after he receives each of the letters of certification from the chairman of the State Board of Elections required by subsections (b) and (c) of this section, each county elections board chairman shall acknowledge receipt by letter addressed to the chairman of the State Board of Elections. (1915, c. 101, s. 8; 1917, c. 218; C. S., s. 6028; 1927, c. 260, s. 22; 1966, Ex. Sess., c. 5, s. 8; 1967, c. 775, s. 1; 1973, c. 793, s. 38.)

Cited in Holshouser v. Scott, 335 F. Supp. 928 (M.D.N.C. 1971), aff'd, 409 U.S. 807, 93 S. Ct. 43, 34 L. Ed. 2d 68 (1972).

§ 163-108.1. Nomination of members of House of Representatives. — Chapter 826, Session Laws of 1957; Chapter 484, Session Laws of 1961; Chapter

621, Session Laws of 1959; Chapter 894, Session Laws of 1945; Chapter 442, Session Laws of 1955; Chapter 103, Public-Local Laws of 1941; Chapter 439, Session Laws of 1955; Chapter 238, Session Laws of 1959; and all other special and local acts providing for the nomination of candidates for the State House of Representatives by convention in any county, are modified and amended as follows: In the several representative districts of the State containing two or more counties, each political party shall nominate candidates for membership in the State House of Representatives according to the provisions of the statewide primary law, Article 19, Chapter 163 of the General Statutes of North Carolina, or by district convention of the party when so provided by law. In a county assigned to a multi-county representative district, no political party shall nominate candidates for the State House of Representatives by party convention for the single county. (1966, Ex. Sess., c. 5, s. 16.)

§ 163-109. Primary ballots; printing and distribution. — (a) General. — In primary elections there shall be as many kinds of official State, district, and county ballots as there are legally recognized political parties, members of which have filed notice of their candidacy for nomination. The ballots for each political party shall be printed to conform to the requirements of G.S. 163-140(c) and to show the party's name, the name of each party member who has filed notice of candidacy, and the office for which each aspirant is a candidate.

Only those who have filed the required notice of candidacy and pledge with the proper board of elections, and who have paid the required filing fee, shall have their names printed on the official ballots of the political party with which affiliated.

(b) Ballots to Be Furnished by State Board of Elections. — It shall be the duty of the State Board of Elections to print official ballots for each political party having candidates for the following offices to be voted for in the primary:

United States Senator,

Member of the House of Representatives of the United States Congress,

Governor, and

All other State offices, except superior court judge, district court judge, and solicitor.

In its discretion, the State Board of Elections may print separate primary ballots for each of these offices, or it may combine some or all of them on a single ballot.

At least 30 days before the date of the primary, the State Board of Elections shall deliver a sufficient number of these ballots to each county board of elections. The chairman of the county board of elections shall furnish the chairman of the State Board of Elections with a written receipt for the ballots delivered to him within two days after their receipt.

(c) Ballots to Be Furnished by County Board of Elections. — It shall be the duty of the county board of elections to print official ballots for each political party having candidates for the following offices to be voted for in the primary:

Superior court judge,

District court judge,

Solicitor,

State Senator,

Member of the House of Representatives of the General Assembly, and

All county offices.

In printing primary ballots, the county board of elections shall be governed by instructions of the State Board of Elections with regard to width, color, kind of paper, form, and size of type.

In its discretion, the county board of elections may print separate primary ballots for the district and county offices listed in this subsection, or it may combine some or all of them on a single ballot. In a primary election, if there shall be 10 or more candidates for nomination to any one office, the county board of elections in its discretion may prepare a separate ballot for said office.

Three days before the primary election, the chairman of the county board of elections shall distribute official State, district, and county ballots to the registrar of each precinct in his county, and the registrar shall give him a receipt for the ballots received. On the day of the primary it shall be the registrar's duty to have all the ballots delivered to him available for use at the precinct voting place.

(d) District Solicitors' Ballots. — In all primary elections for the nomination of candidates to the office of solicitor, the State or county board of elections responsible under this section for preparing ballots for that office shall cause to be printed after the title "Solicitor" on the ballot the words "District Attorney" and shall cause the initial letter of those words to be capitalized and the words to be put in parentheses and in quotation marks. (1915, c. 101, ss. 8, 17; 1917, c. 218; C. S., ss. 6028, 6037; 1927, c. 260, s. 22; 1933, c. 165, s. 16; 1966, Ex. Sess., c. 5, ss. 8, 10; 1967, c. 775, s. 1; c. 1063, s. 3; 1973, c. 793, ss. 39-41.)

The one man, one vote rule does not apply to the State judiciary, and therefore a mere showing of a disparity among the voters or in the population figures of the district would not be sufficient to strike down the election procedure for superior court judges. A showing of an arbitrary and capricious or invidious action or distinction between citizens and voters would be required. Holshouser v. Scott, 335 F. Supp. 928 (M.D.N.C. 1971), aff'd, 409 U.S. 807, 93 S. Ct. 43, 34 L. Ed. 2d 68 (1972).

Validity of Superior Court Election and Rotation Procedure. — A superior court judge is a hybrid official with both local and statewide functions and authority. The requirement that he reside in the district from which he is elected is a matter of convenience, making him available to hear emergency matters, and convenience is an essential factor in arranging an effective judicial system. He rotates among the districts of his division, and may be assigned beyond his division by the Chief Justice. Thus, there is a reasonable basis for the election procedure requiring him to be nominated in the primary election and elected in the general election by statewide vote and it serves and achieves a legitimate state purpose and is not arbitrary and capricious. Holshouser v. Scott, 335 F. Supp. 928 (M.D.N.C. 1971), aff'd, 409 U.S. 807, 93 S. Ct. 43, 34 L. Ed. 2d 68 (1972).

Requiring regular superior court judges to be nominated in the primary election by districts and elected in the general election by statewide vote does not deny equal protection of the laws. Holshouser v. Scott, 335 F. Supp. 928 (M.D.N.C. 1971), aff'd, 409 U.S. 807, 93 S. Ct. 43, 34 L. Ed. 2d 68 (1972).

Possession of Ballots. — It is the duty of the county board of elections to keep in its possession official ballots until delivery to the local officials. State v. Abernethy, 220 N.C. 226, 17 S.E. 2d 25 (1941).

§ 163-110. Sole candidate declared nominee. — If only one aspirant files notice of candidacy for nomination for a given office by the party with which he affiliates, the appropriate board of elections shall, upon the expiration of the time fixed by G.S. 163-106 for filing notice of candidacy for that office, declare him the nominee of his party. For the following offices, this declaration shall be made by the county board of elections with which the aspirant filed notice of candidacy: All county offices, State Senators in single-county senatorial districts, and members of the State House of Representatives in single-county representative districts. For all other offices, this declaration shall be made by the State Board of Elections. When the sole aspirant has been declared his party's nominee for an office as provided in this section, his name shall not be printed on the primary ballot, but it shall be printed on the ballot to be voted at the general election as his party's candidate for that office. (1915, c. 101, ss. 13, 19; 1917, c. 218; C. S., ss. 6033, 6039; 1966, Ex. Sess., c. 5, ss. 9, 11; 1967, c. 775, s. 1; 1973, c. 793, s. 42; 1975, c. 19, s. 68.)

§ 163-111. Determination of primary results; second primaries. — (a) Nomination Determined by Majority; Definition of Majority. — Except as otherwise provided in this section, nominations in primary elections shall be determined by a majority of the votes cast. A majority within the meaning of this section shall be determined as follows:

(1) If a nominee for a single office is to be selected, and there is more than one person seeking nomination, the majority shall be ascertained by dividing the total vote cast for all aspirants by two. Any excess of the sum so ascertained shall be a majority, and the aspirant who obtains a majority shall be declared the nominee.

(2) If nominees for two or more offices (constituting a group) are to be selected, and there are more persons seeking nomination than there are offices, the majority shall be ascertained by dividing the total vote cast for all aspirants by the number of positions to be filled, and by dividing the result by two. Any excess of the sum so ascertained shall be a majority, and the aspirants who obtain a majority shall be declared the nominees. If more candidates obtain a majority than there are positions to be filled, those having the highest vote (equal to the number of positions to be filled) shall be declared the nominees.

(b) Right to Demand Second Primary. — If an insufficient number of aspirants receive a majority of the votes cast for a given office or group of offices in a primary, a second primary, subject to the conditions specified in this section, shall be held:

(1) If a nominee for a single office is to be selected and no aspirant receives a majority of the votes cast, the aspirant receiving the highest number of votes shall be declared nominated by the appropriate board of elections unless the aspirant receiving the second highest number of votes shall request a second primary in accordance with the provisions of subsection (c) of this section. In the second primary only the two aspirants who received the highest and next highest number of votes shall be voted for.

(2) If nominees for two or more offices (constituting a group) are to be selected and aspirants for some or all of the positions within the group do not receive a majority of the votes, those candidates equal in number to the positions remaining to be filled and having the highest number of votes shall be declared the nominees unless some one or all of the aspirants equal in number to the positions remaining to be filled and having the second highest number of votes shall request a second primary in accordance with the provisions of subsection (c) of this section. In the second primary to select nominees for the positions in the group remaining to be filled, the names of all those candidates receiving the highest number of votes and all those receiving the second highest number of votes and demanding a second primary shall be printed on the ballot.

(c) Procedure for Requesting Second Primary. —

(1) An aspirant entitled to demand a second primary for one of the offices listed below, and desiring to do so, shall file a request for a second primary in writing or by telegram with the Executive Secretary-Director of the State Board of Elections by 12:00 noon, on the second day after the result of the first primary has been officially declared:

Governor,
Lieutenant Governor,
All State executive officers,
Justices, Judges, or District Attorneys of the General Court of Justice,
United States Senators,
Members of the United States House of Representatives,
State Senators in multi-county senatorial districts, and
Members of the State House of Representatives in multi-county representative districts.

(2) An aspirant entitled to demand a second primary for one of the offices listed below, and desiring to do so, shall file a written request for a second primary with the board of elections in the county in which he filed notice of candidacy by 12:00 noon, on the fifth day after the result of the first primary has been officially declared:

State Senators in single-county senatorial districts,

Members of the State House of Representatives in single-county representative districts, and

All county officers.

(d) Tie Votes; How Determined. —

(1) In the event of a tie for the highest number of votes in a first primary between two candidates for party nomination for a single county, or single-county legislative district office, the board of elections of the county in which the two candidates were voted for shall conduct a recount and declare the results. If the recount shows a tie vote, a second primary shall be held on the date prescribed in subsection (e) of this section between the two candidates having an equal vote, unless one of the aspirants, within three days after the result of the recount has been officially declared, files a written notice of withdrawal with the board of elections with which he filed notice of candidacy. Should that be done, the remaining aspirant shall be declared the nominee. In the event of a tie for the highest number of votes in a first primary among more than two candidates for party nomination for one of the offices mentioned in this subdivision, no recount shall be held, but all of the tied candidates shall be entered in a second primary.

(2) In the event of a tie for the highest number of votes in a first primary between two candidates for a State office, for United States Senator, or for any district office (including State Senator in a multi-county senatorial district and member of the State House of Representatives in a multi-county representative district), no recount shall be held solely by reason of the tie, but the two candidates having an equal vote shall be entered in a second primary to be held on the date prescribed in subsection (e) of this section, unless one of the two candidates files a written notice of withdrawal with the State Board of Elections within three days after the result of the first primary has been officially declared and published. Should that be done, the remaining aspirant shall be declared the nominee. In the event of a tie for the highest number of votes in a first primary among more than two candidates for party nomination for one of the offices mentioned in this subdivision, no recount shall be held, but all of the tied candidates shall be entered in a second primary.

(3) In the event one candidate receives the highest number of votes cast in a first primary, but short of a majority, and two or more of the other candidates receive the second highest number of votes cast in an equal number, the proper board of elections shall declare the candidate having the highest vote to be the party nominee, unless all but one of the tied candidates give written notice of withdrawal to the proper board of elections within three days after the result of the first primary has been officially declared. If all but one of the tied candidates withdraw within the prescribed three-day period, and the remaining candidate demands a second primary in accordance with the provisions of subsection (c) of this section, a second primary shall be held between the candidate who received the highest vote and the remaining candidate who received the second highest vote.

(e) Date of Second Primary; Procedures. — If a second primary is required under the provisions of this section, the appropriate board of elections, State or

county, shall order that it be held four weeks after the first primary.

There shall be no registration of voters between the dates of the first and second primaries. Persons whose qualifications to register and vote mature after the day of the first primary and before the day of the second primary may register on the day of the second primary and, when thus registered, shall be entitled to vote in the second primary. Subject to this provision for registration, the second primary shall be held under the laws, rules, and regulations provided for the first primary.

(f) No Third Primary Permitted. — In no case shall there be a third primary. The candidates receiving the highest number of votes in the second primary shall be nominated. If in a second primary there is a tie for the highest number of votes between two candidates, the proper party executive committee shall select the party nominee for the office in accordance with the provisions of G.S. 163-114. (1915, c. 101, s. 24; 1917, c. 179, s. 2; c. 218; C. S., s. 6045; 1927, c. 260, s. 23; 1931, c. 254, s. 17; 1959, c. 1055; 1961, c. 383; 1966, Ex. Sess., c. 5, s. 13; 1967, c. 775, s. 1; 1969, c. 44, s. 85; 1973, c. 47, s. 2; c. 793, ss. 43, 44; 1975, c. 844, s. 3.)

Editor's Note. — The 1975 amendment inserted "the Executive Secretary-Director of" and substituted "second day" for "third day" in the first paragraph of subdivision (c)(1).

Effect of Failure to Comply with Provisions within Required Time. — Applying the rule of construction that every part of a statute should be given effect when possible, it was held that § 24 of the State Primary Law, c. 101, Laws of 1915, providing, among other things, that the successful candidate for certain offices, shall receive a majority of the votes cast, when construed in connection with the proviso of the same section, that the one receiving the next highest vote, under a majority, shall file a request, in writing, with the appropriate board of elections for a second primary, entitles the one receiving the highest number of votes to be the candidate of the party to the office, upon the failure of the one receiving the next highest vote to comply with the provision within the time stated, i.e., within five days after the result of the primary has been officially declared. Johnston v. Board of Elections, 172 N.C. 162, 90 S.E. 143 (1916).

Mandamus. — Where a candidate for membership in the General Assembly who has received the next highest vote in a legalized primary, but less than a majority of the votes cast, has failed to give written notice to the board of elections for a second primary within the time prescribed, and after duly declaring the result of the election the board then orders the second primary, the ministerial duty of recognizing the one receiving the highest vote as the candidate and putting his name on the ticket as such will be enforced by mandamus. Johnston v. Board of Elections, 172 N.C. 162, 90 S.E. 143 (1916).

The plaintiff in proceedings for mandamus to compel the county board of elections to declare him the successful candidate of his party in a primary election, or that he is entitled to a second primary to select between himself and another candidate for the same office, must show the denial of a present, clear legal right, by the failure of such board to have done so. Umstead v. Board of Elections, 192 N.C. 139, 134 S.E. 409 (1926).

In order for a candidate for the party nomination for the legislature to obtain a writ of mandamus against the county board of elections to compel the ordering of a second primary, he must show that his opponents receiving the larger number of votes have not received a majority of the votes cast for said nomination, and within five days after the result has been officially declared and he has been notified thereof, he must have filed with the county board of elections a written request that the second primary be called by it. Umstead v. Board of Elections, 192 N.C. 139, 134 S.E. 409 (1926).

When Time Begins to Run. — When the provisions of former § 163-137 had been complied with and the result posted at the courthouse door of the county, the result of the election was sufficiently declared, and the contestant receiving the next highest vote, less than a majority, was required to file his written request for a secondary primary within five days thereafter, in accordance with former § 163-140 (now § 163-111). Johnston v. Board of Elections, 172 N.C. 162, 90 S.E. 143 (1916).

§ 163-112. Death of candidate before primary; filling vacancy. — If at the time the filing period closes only two persons have filed notice of candidacy for nomination by a given political party for a given office and thereafter, before

the primary, one of the aspirants dies before the primary ballots are printed, the proper board of elections shall, upon notification of the death, immediately reopen the filing period for an additional five days during which additional candidates shall be permitted to file for the same party's nomination for the same office. If the primary ballots have been printed at the time the board of elections receives notice of the aspirant's death, it shall determine whether there will be sufficient time in which to reprint ballots before the primary in the event the filing period is reopened for five days. If the board determines there will be sufficient time in which to reprint the ballots, it shall immediately reopen the filing period for an additional five days in which additional candidates shall be permitted to file for the same party's nomination for the same office. Should one or more persons file notice of candidacy during the extended filing period their names shall be printed on the primary ballots together with that of the aspirant who filed during the original filing period and shall be voted for in the primary.

If the primary ballots have been printed at the time the board of elections receives notice of the candidate's death, and if the board determines there will not be sufficient time in which to reprint the ballots before the primary if the filing period is reopened for five days, then, regardless of whether one or more aspirants filed for nomination by the deceased candidate's party for the same office, the primary ballots shall not be reprinted, and the name of the deceased candidate shall not be deleted, stricken, or obliterated from the ballots. In such a case, should the deceased candidate poll the highest number of votes in the primary for party nomination to the office he sought, even though short of a majority, the proper party executive committee shall appoint the party nominee under the provisions of G.S. 163-114. Should no candidate for the party nomination receive a majority of the votes cast in the primary and the second highest vote be cast for the deceased candidate, no second primary shall be held, and the proper board of elections shall declare the candidate receiving the highest vote the party's nominee for the office. (1959, c. 1054; 1967, c. 775, s. 1.)

§ 163-113. Nominee's right to withdraw as candidate. — A person who has been declared the nominee of a political party for a specified office under the provisions of G.S. 163-175, G.S. 163-192, or G.S. 163-110, shall not be permitted to resign as a candidate unless, at least 30 days before the general election, he submits to the board of elections which certified his nomination a written request that he be permitted to withdraw. (1929, c. 164, s. 8; 1967, c. 775, s. 1.)

§ 163-114. Filling vacancies among party nominees occurring after nomination and before election. — If any person nominated as a candidate of a political party for one of the offices listed below (either in a primary or convention or by virtue of having no opposition in a primary) dies, resigns, or for any reason becomes ineligible or disqualified before the date of the ensuing general election, the vacancy shall be filled by appointment according to the following instructions:

Position	Vacancy is to be filled by appointment
Any elective State office	of State executive committee of
United States Senator	political party in which vacancy occurs

A district office, including: Member of the United States House of Representatives Judge of superior court Judge of district court Solicitor State Senator in a multi-county senatorial district Member of State House of Representatives in a multi-county representative district	Appropriate district executive committee of political party in which vacancy occurs
State Senator in a single-county senatorial district Member of State House of Representatives in a single-county representative district Any elective county office	County executive committee of political party in which vacancy occurs, but if the vacancy arises from a cause other than death, the vacancy shall not be filled unless the board of elections in the county in which the vacancy occurs issues an order to that effect

The party executive making a nomination in accordance with the provisions of this section shall certify the name of its nominee to the chairman of the board of elections, State or county, charged with the duty of printing the ballots on which the name is to appear. If at the time a nomination is made under this section the general election ballots have already been printed, the provisions of G.S. 163-139 shall apply. (1929, c. 164, s. 19; 1967, c. 775, s. 1; 1973, c. 793, s. 45.)

§ 163-115. Special provisions for obtaining nominations when vacancies occur in certain offices. — If a vacancy occurs in the office of the clerk of superior court, otherwise than by expiration of the term, or if the people fail to elect, the vacancy shall be filled as provided in Sec. 9(3) of Article IV of the North Carolina Constitution. If the vacancy occurs after the time for filing notice of candidacy in the primary has expired in a year when a regular election is not being held to elect a clerk of superior court by expiration of term, then the county executive committee of each political party shall nominate a candidate whose name shall appear on the general election ballot. The candidate elected in the general election shall serve the unexpired portion of the term of the person causing the vacancy.

In the event a special election is called to fill a vacancy in the State's delegation in the United States House of Representatives, the provisions of G.S. 163-13 shall apply.

If a vacancy occurs in an elective State or district office (other than member of the United States House of Representatives) during the period opening 10 days before the filing period for the office ends and closing 30 days before the ensuing general election, a nomination shall be made by the proper executive committee of each political party as provided in G.S. 163-114, and the names of the nominees shall be printed on the general election ballots, unless the ballots have already been printed when the nominations are made, in which case the provisions of G.S. 163-139 shall apply. (1915, c. 101, s. 33; 1917, c. 179, s. 3; c. 218; C. S., s. 6053; 1923, c. 111, s. 16; 1955, c. 574; 1957, c. 1242; 1966, Ex. Sess., c. 5, s. 14; 1967, c. 775, s. 1; 1973, c. 793, s. 46.)

§ 163-116: Repealed by Session Laws 1973, c. 793, s. 47.

§ 163-117: Repealed by Session Laws 1973, c. 793, s. 48.

§ 163-118: Repealed by Session Laws 1973, c. 793, s. 49.

§§ 163-119 to 163-121: Reserved for future codification purposes.

ARTICLE 11.

Nomination by Petition.

§ 163-122. Independent candidates nominated by petition. — Any qualified voter who seeks to have his name printed on the general election ballot as an independent or nonpartisan candidate shall:

(1) On or before the last Saturday in May preceding the general election, file with the appropriate board of elections, State or county, written petitions requesting him to be a candidate for a specified office, signed by qualified voters of the political division in which the office will be voted for equal in number to ten percent (10%) of those who, in the last gubernatorial election in the same political division, voted for Governor.

(2) At the time of filing the petitions referred to in subdivision (1) of this section, file with the chairman or secretary of the appropriate board of elections his affidavit that he seeks to become an independent or nonpartisan candidate for the office specified and that he does not affiliate with any political party.

When the provisions of this section have been complied with, the board of elections with which the petitions and affidavit have been filed shall cause the independent candidate's name to be printed on the general election ballots in accordance with the provisions of G.S. 163-140. (1929, c. 164, s. 6; 1931, c. 223; 1935, c. 236; 1967, c. 775, s. 1; 1973, c. 793, s. 50.)

This section and §§ 163-96, 163-98 and 163-151(2) are not available to candidate denied access to primary election ballot under § 163-107. Brown v. North Carolina State Bd. of Elections, 394 F. Supp. 359 (W.D.N.C. 1975).

§§ 163-123 to 163-127: Reserved for future codification purposes.

SUBCHAPTER VI. CONDUCT OF PRIMARIES AND ELECTIONS.

ARTICLE 12.

Precincts and Voting Places.

§ 163-128. Election precincts and voting places established or altered. — Each county shall be divided into a convenient number of precincts for the purpose of voting, and there shall be at least one precinct encompassed within the territory of each township; provided, however, that upon a resolution adopted by the county board of elections and approved by the Secretary-Director of the State Board of Elections voters from a given precinct within a township may be temporarily transferred, for the purpose of voting, to a precinct in an adjacent township. Any such transfers shall be for the period of time equal only to the term of office of the county board of elections making such transfer. When such a resolution has been adopted by the county board of elections to assign voters from more than one township to the same precinct, then the county board of elections shall maintain separate registration and voting records, consistent with the procedure prescribed by the State Board of Elections, so as to properly identify the township in which such voters reside. There shall be at least one voting place in each precinct.

The county board of elections shall have power from time to time, by resolution, to establish, alter, discontinue, or create such new election precincts or voting places as it may deem expedient. Upon adoption of a resolution establishing, altering, discontinuing, or creating a precinct or voting place, the board shall give 20 days' notice thereof prior to the date on which the

registration books or records next close pursuant to G.S. 163-67. Notice shall be given by advertisement in a newspaper having general circulation in the county, by posting a copy of the resolution at the courthouse door, and by mailing a copy of the resolution to the chairman of every political party in the county. (Rev., s. 4313; 1913, c. 53; C. S., s. 5934; 1921, c. 180; 1933, c. 165, s. 3; 1967, c. 775, s. 1; 1969, c. 570; 1973, c. 793, ss. 51-53; 1975, c. 798, s. 2.)

Local Modification. — City of Rocky Mount: 1969, c. 1051.

Editor's Note. — The 1975 amendment deleted "registration and" preceding "voting" near the beginning of the first sentence of the first paragraph and substituted the language beginning "and approved by the Secretary-Director" for "a precinct may encompass territory from more than one township" at the end of that sentence and added the second sentence of that paragraph.

§ 163-129. Structure at voting place; marking off limits of voting place. — At the voting place in each precinct established under the provisions of G.S. 163-128, the county board of elections shall provide or procure by lease or otherwise a suitable structure or part of a structure in which registration and voting may be conducted. To this end, the county board of elections shall be entitled to demand and use any school or other State, county, or municipal building, or a part thereof, for the purpose of conducting registration and voting for any primary or election, and it may require that the requisitioned premises, or a part thereof, be vacated for these purposes.

The county board of elections shall inspect each precinct voting place to ascertain how it should be arranged for voting purposes, and shall direct the registrar and judges of any precinct to define the voting place by roping off the area or otherwise enclosing it or by marking its boundaries. The boundaries of the voting place shall at any point lie no more than 100 feet from each ballot box or voting machine. The space so roped off or enclosed or marked for the voting place may contain area both inside and outside the structure in which registration and voting are to take place. (1929, c. 164, s. 17; 1967, c. 775, s. 1; 1973, c. 793, s. 54.)

§§ 163-130 to 163-134: Reserved for future codification purposes.

ARTICLE 13.

General Instructions.

§ 163-135. Applicability of Article. — (a) In General. — The provisions of this Article shall apply to all elections in all counties, cities, towns, townships, and school districts in the State of North Carolina.

(b) Primary Elections. — The provisions of this Article shall apply to all primary elections held in this State, or in any county, as fully as it applies to general elections.

(c) Special Elections. — Every election held in pursuance of a writ from the Governor shall be conducted in accordance with the provisions of this Article, so far as the particular case can be governed by general rules.

(d) Referenda. — This Article shall apply to and control all elections for the issuance of bonds and to all other elections in which any constitutional amendment, question, or issue is submitted to a vote of the people.

(e) Municipal Primaries and Elections. — This Article shall apply to and control all elections held in and for cities, towns, incorporated villages and all special districts, whether conducted by the county board of elections or a duly appointed municipal board of elections. (1901, c. 89, s. 75; Rev., s. 4341; C. S., s. 5975; 1929, c. 164, ss. 2, 4, 34, 42; 1967, c. 775, s. 1; 1975, c. 798, s. 1.)

Local Modification to Former § 163-148. — Ashe: 1933, c. 557; 1935, c. 259; 1937, c. 170.

Editor's Note. — The 1975 amendment rewrote subsection (e).

Former Article 10 Construed in Pari Materia with Primary Election Law. — See Phillips v. Slaughter, 209 N.C. 543, 183 S.E. 897 (1936); McLean v. Durham County Bd. of Elections, 222 N.C. 6, 21 S.E.2d 842 (1942).

§ 163-136. Preparation, distribution and financing of ballots. — (a) Ballots a Public Expense. — All ballots cast in the elections, primaries, and referenda listed below shall be printed and distributed at public expense:

(1) General and special elections for national, State, district, county, and municipal offices in the counties, districts, cities, towns, and other political subdivisions of the State.

(2) Primaries for nomination of candidates for the offices listed in the preceding subdivision.

(3) Elections or referenda for the issuance of bonds.

(4) Elections or referenda in which any constitutional amendment, question or issue is submitted to a vote of the people.

(b) Printing and Distribution. — The printing and distribution of ballots shall be arranged, handled, and paid for as follows:

(1) For municipal elections, primaries, and referenda, by the municipal authorities conducting the election, primary, or referendum, at the expense of the municipality.

(2) For county, single-county district, and legislative district elections, primaries, and referenda, by the responsible county board of elections, at the expense of the county.

(3) For all elections, primaries, and referenda not specified in the two preceding subdivisions, by the State Board of Elections, at the expense of the State.

Provided, that the State Board of Elections, in its discretion, may direct some or all counties to print the ballots required by this subdivision under the supervision of the State Board of Elections. If the State Board of Elections prints and distributes the ballots required by this subdivision at the expense of the State, the State Board shall have the authority to negotiate for the ballots to be printed and distributed on a regional or centralized basis, and the State Board shall be exempt from securing competitive bids for printing and distribution of all ballots, abstracts and precinct return forms.

(c) Paper Ballots for General Elections and County Bond Elections Where Voting Machines Are Used. — In counties in which voting machines are used at some or all voting places, paper ballots shall be printed for purposes of absentee voting in statewide general elections and in county bond elections under the provisions of Articles 20 and 21.

(d) Each kind of official ballot as defined in G.S. 163-140 used in a primary election shall have a distinct and separate color, and each such ballot used in a general election shall have a distinct and separate color. In both a primary and general election, the color of each kind of official ballot as defined in G.S. 163-140 shall be determined by the board of elections responsible for printing the ballots. (1929, c. 164, s. 3; 1963, c. 457, s. 9; 1967, c. 775, s. 1; c. 952, s. 2; 1973, c. 793, s. 55; c. 1135; 1975, c. 844, s. 4.)

Editor's Note. — The 1975 amendment added the second paragraph of subdivision (b)(3).

§ 163-137. General, special and primary election ballots; names and questions to be printed thereon; distribution. — (a) The ballots printed for use in general and special elections under the provisions of this Article shall contain:

(1) The names of all candidates who have been put in nomination in accordance with the provisions of this Chapter by any political party recognized in this State.
(2) The names of all persons who have qualified as independent candidates under the provisions of G.S. 163-122.
(3) All questions, issues, and propositions to be voted on by the people.

(b) The ballots prepared for use in general and special elections under the provisions of this Article by the State Board of Elections shall be printed and delivered to the county boards of elections at least 30 days prior to the date of any election in which absentee voting is permitted and at least 30 days prior to the date of any election in which absentee voting is not permitted.

(c) In a primary election the names of all candidates of the same political party for the same office shall be printed on the ballot either vertically or horizontally, and in no event shall both arrangements of names be used concurrently for candidates on the same ballot for the same office. (1929, c. 164, s. 5; 1945, c. 972; 1957, c. 1264; 1963, c. 934; 1967, c. 775, s. 1; 1973, c. 536, s. 3; 1975, c. 149, s. 1; c. 844, s. 5.)

Editor's Note. — The first 1975 amendment added subsection (c).

The second 1975 amendment substituted "30 days" for "60 days" near the middle of subsection (b).

The right of a candidate to have his name printed on the official ballot is dependent upon his becoming a nominee in the required manner. McLean v. Durham County Bd. of Elections, 222 N.C. 6, 21 S.E.2d 842 (1942).

§ 163-138. Instructions for printing names on primary and election ballots. — In preparing primary, general, and special election ballots, the legal name of a candidate (together with his nickname in the situation outlined below) shall be printed precisely as it appears on the notice of candidacy form filed in accordance with G.S. 163-106 or in petition forms filed in accordance with G.S. 163-122. If the candidate has inserted a nickname on the notice of candidacy or in the petition, it shall be printed on the ballot immediately before the candidate's surname and shall be enclosed by parenthesis. No title, appendage, or appellation indicating rank, status, or position, shall be printed before or following or as a nickname or in connection with the name of any candidate on any ballot. Nevertheless, a candidate who is a married woman may use the prefix "Mrs." and a candidate who is a single woman may use the prefix "Miss" before her name if she so elects. (1929, c. 164, s. 5; 1945, c. 972; 1957, c. 1264; 1963, c. 934; 1967, c. 775, s. 1.)

§ 163-139. Reprinting ballots when substitute candidate is named. — (a) Before General or Special Election. — After the official ballots for a general or special election have been printed by the proper elections board, the death, resignation, or disqualification of a candidate whose name appears on the official ballots shall not require that the ballots be reprinted, although the responsible board of elections may have the ballots reprinted if it desires to do so.

If a candidate dies, resigns, or otherwise becomes disqualified after his name has been printed on an official general or special election ballot, and if a nomination has been made to fill the vacancy as authorized by G.S. 163-114, the name of the substituted nominee shall not appear on the official ballots unless the responsible board of elections decides that it is feasible and advisable to reprint the ballots to show the name of the substituted nominee. If the ballots are not reprinted, a vote cast for the candidate whose name is printed on the ballot shall be counted as a vote for the substituted candidate whose name has been certified to the appropriate board of elections under the provisions of G.S. 163-114.

(b) Before Primary Election. — The provisions of G.S. 163-112 shall apply in the event a candidate for party nomination dies before the primary. (1929, c. 164, s. 7; 1931, c. 254, s. 1; 1947, c. 505, s. 8; 1967, c. 775, s. 1.)

§ 163-140. Kinds of ballots; what they shall contain; arrangement. — (a) Kinds of General Election Ballots; Right to Combine. — For purposes of general elections, there shall be seven kinds of official ballots entitled:

(1) Ballot for presidential electors
(2) Ballot for United States Senator
(3) Ballot for member of the United States House of Representatives
(4) State ballot
(5) County ballot
(6) Repealed by Session Laws 1973, c. 793, s. 56.
(7) Ballot for constitutional amendments and other propositions submitted to the people.

Use of official ballots shall be limited to the purposes indicated by their titles. The printing on all ballots shall be plain and legible but, unless large type is specified by this section, type larger than 10-point shall not be used in printing ballots. All general election ballots shall be prepared in such a way as to leave sufficient blank space beneath each name printed thereon in which a voter may conveniently write the name of any person for whom he may desire to vote.

Unless prohibited by this section, the board of elections, State or county, charged by law with printing ballots may, in its discretion, combine any two or more official ballots. Whenever two or more ballots are combined, the voting instructions for the State ballot set out in subsection (b)(4) of this section shall be used.

(b) General Election Ballots. —

(1) Ballot for Presidential Electors: On the ballot for presidential electors there shall be printed, under the titles of the offices, the names of the candidates for President and Vice-President of the United States nominated by each political party qualified under the provisions of G.S. 163-96. A separate column shall be assigned to each political party with candidates on the ballot, and the party columns shall be separated by distinct black lines. At the head of each column the party name shall be printed in large type and below it a circle, one-half inch in diameter, and below the circle the names of the party's candidates for President and Vice-President in that order. On the face of the ballot, above the party column division, the following instructions shall be printed in heavy black type:

"a. To vote this ballot, make a cross (X) mark in the circle below the name of the political party for whose candidates you wish to vote.
b. A vote for the names of a political party's candidates for President and Vice-President is a vote for the electors of that party, the names of whom are on file with the Secretary of State.
c. If you tear or deface or wrongly mark this ballot, return it and get another."

On the bottom of the ballot shall be printed an identified facsimile of the signature of the Chairman of the State Board of Elections.

The official ballot for presidential electors shall not be combined with any other official ballots.

(2) Ballot for United States Senator: Beneath the title and general instructions set out in this subsection, the ballot for United States Senator shall be divided into parallel columns separated by distinct black lines. The State Board of Elections shall assign a separate column to each political party having a candidate for the office and one to independent candidates, if any. At the head of each party column the party's name shall be printed in large type, and at the head of the column for independent candidates shall be printed in large type the words "Independent Candidates." The name of each political party's

candidate for United States Senator shall be printed in the appropriate party column, and the names of independent candidates for the office shall be printed in the column headed "Independent Candidates." At the left of each name shall be printed a voting square, and in each column all voting squares shall be arranged in a perpendicular line. On the face of the ballot, above the party and independent column division, the following instructions shall be printed in heavy black type:

"a. Vote for only one candidate.

b. If you tear or deface or wrongly mark this ballot, return it and get another."

On the bottom of the ballot shall be printed an identified facsimile of the signature of the Chairman of the State Board of Elections.

When the ballot for United States Senator is combined with a ballot for another office, below the party name in each column shall be printed a circle, one-half inch in diameter, around which shall be plainly printed the following instruction: "For a straight ticket, mark within this circle." The following instructions, in lieu of those specified in the preceding paragraph, shall be printed in heavy black type on the face of the combined ballot to the top above the party and independent column division:

"a. To vote for all candidates of one party (a straight ticket), make a cross (X) mark in the circle of the party for whose candidates you wish to vote.

b. To vote for candidates of more than one party (a split ticket), do not mark in any party circle, but make a cross (X) mark in the square opposite the name of each candidate for whom you wish to vote.

c. If you tear or deface or wrongly mark this ballot, return it and get another."

(3) Ballot for Member of the United States House of Representatives: Beneath the title and general instructions set out in this subsection, the congressional district ballot for member of the United States House of Representatives shall be divided into parallel columns separated by distinct black lines. The State Board of Elections shall assign a separate column to each political party having a candidate for the office and one to independent candidates, if any. At the head of each party column the party's name shall be printed in large type, and at the head of the column for independent candidates shall be printed in large type the words "Independent Candidates." The name of each political party's candidate for member of the United States House of Representatives from the congressional district shall be printed in the appropriate party column, and the names of independent candidates for the office shall be printed in the column headed "Independent Candidates." At the left of each name shall be printed a voting square, and in each column all voting squares shall be arranged in a perpendicular line. On the face of the ballot, above the party and independent column division, the following instructions shall be printed in heavy black type:

"a. Vote for only one candidate.

b. If you tear or deface or wrongly mark this ballot, return it and get another."

On the bottom of the ballot shall be printed an identified facsimile of the signature of the Chairman of the State Board of Elections.

When the ballot for member of the United States House of Representatives is combined with a ballot for another office, below the party name in each column shall be printed a circle, one-half inch in diameter, around which shall be plainly printed the following instruction: "For a straight ticket, mark within this circle." The

following instructions, in lieu of those specified in the preceding paragraph, shall be printed in heavy black type on the face of the combined ballot at the top above the party and independent column division:

"a. To vote for all candidates of one party (a straight ticket), make a cross (X) mark in the circle of the party for whose candidates you wish to vote.

b. To vote for candidates of more than one party (a split ticket), do not mark in any party circle, but make a cross (X) mark in the square opposite the name of each candidate for whom you wish to vote.

c. If you tear or deface or wrongly mark this ballot, return it and get another."

(4) State Ballot: Beneath the title and general instructions set out in this subsection, the ballot for State officers (including judges of the superior court) shall be divided into parallel columns separated by distinct black lines. The State Board of Elections shall assign a separate column to each political party having candidates for State offices and one to independent candidates, if any. At the head of each party column the party's name shall be printed in large type, and at the head of the column for independent candidates shall be printed in large type the words "Independent Candidates." Below the party name in each column shall be printed a circle, one-half inch in diameter, around which shall be plainly printed the following instructions: "For a straight ticket, mark within this circle." With distinct black lines, the State Board of Elections shall divide the columns into horizontal sections and, in the customary order of office, assign a separate section to each office or group of offices to be filled. On a single line at the top of each section shall be printed the title of the office, and directly below the title shall be printed a direction as to the number of candidates for whom a vote may be cast. If candidates are to be chosen for different terms to the same office, the term in each instance shall be printed as part of the title of the office.

The name or names of each political party's candidate or candidates for each office listed on the ballot shall be printed in the appropriate office section of the proper party column, and the names of independent candidates shall be printed in the appropriate office section of the column headed "Independent Candidates." At the left of each name shall be printed a voting square, and in each column all voting squares shall be arranged in a perpendicular line.

On the face of the ballot, above the party and independent column division, the following instructions shall be printed in heavy black type:

"a. To vote for all candidates of one party (a straight ticket), make a cross (X) mark in the circle of the party for whose candidates you wish to vote.

b. To vote for candidates of more than one party (a split ticket), do not mark in any party circle, but make a cross (X) mark in the square opposite the name of each candidate for whom you wish to vote.

c. If you should insert a cross (X) mark in one of the party circles at the top of the ballot and also mark in the voting square opposite the name of any candidate of any party, your ballot will be counted as a straight ticket vote for all of the candidates of the party whose circle you marked.

d. If you tear or deface or wrongly mark this ballot, return it and get another."

On the bottom of the ballot shall be printed an identified facsimile of the signature of the Chairman of the State Board of Elections.

(5) County Ballot: Beneath the title and general instructions set out in this subsection, the ballot for county officers (including solicitor for the solicitorial district in which the county is situated, district judge for the district court district in which the county is situated, and members of the General Assembly in the senatorial and representative districts in which the county is situated) shall be divided into parallel columns separated by distinct black lines. The county board of elections shall assign a separate column to each political party having candidates for the offices on the ballot and one to independent candidates, if any. At the head of each party column the party's name shall be printed in large type and at the head of the column for independent candidates shall be printed in large type the words "Independent Candidates." Below the party name in each column shall be printed a circle, one-half inch in diameter, around which shall be plainly printed the following instruction: "For a straight ticket, mark within this circle." With distinct black lines, the county board of elections shall divide the columns into horizontal sections and, in the customary order of office, assign a separate section to each office or group of offices to be filled. On a single line at the top of each section shall be printed the title of the office, and directly below the title shall be printed a direction as to the number of candidates for whom a vote may be cast. If candidates are to be chosen for different terms to the same office, the term in each instance shall be printed as part of the title of the office.

The name or names of each political party's candidate or candidates for each office listed on the ballot shall be printed in the appropriate office section of the proper party column, and the names of independent candidates shall be printed in the appropriate office section of the column headed "Independent Candidates." At the left of each name shall be printed a voting square, and in each column all voting squares shall be arranged in a perpendicular line.

On the face of the ballot, above the party and independent column division, the following instructions shall be printed in heavy black type:

"a. To vote for all candidates of one party (a straight ticket), make a cross (X) mark in the circle of the party for whose candidates you wish to vote.

b. To vote for candidates of more than one party (a split ticket), do not mark in any party circle, but make a cross (X) mark in the square opposite the name of each candidate for whom you wish to vote.

c. If you should insert a cross (X) mark in one of the party circles at the top of the ballot and also mark in the voting square opposite the name of any candidate of any party, your ballot will be counted as a straight ticket vote for all of the candidates of the party whose circle you marked.

d. If you tear or deface or wrongly mark this ballot, return it and get another."

On the bottom of the ballot shall be printed an identified facsimile of the signature of the chairman of the county board of elections.

(6) Repealed by Session Laws 1973, c. 793, s. 56.

(7) Ballot for Constitutional Amendments and Other Propositions Submitted to the People: The form of ballot used in submitting a constitutional amendment or other proposition or issue to the voters of the entire State shall be prepared by the State Board of Elections and approved by the Attorney General. The form of ballot used in submitting propositions and issues to the voters of a single county or subdivision shall be prepared by the county board of elections. In a referendum the issue presented to the voters with respect to each

constitutional amendment, question, or proposition, shall be printed in the form laid down by the General Assembly or other body submitting it. If more than one amendment, question, or proposition is submitted on a single ballot, each shall be printed in a separate section, and the sections shall be numbered consecutively. On the face of the ballot, above the issue or issues being submitted, shall be printed instructions for marking the voter's choice, in addition to the following instruction: "If you tear or deface or wrongly mark this ballot, return it and get another." On the bottom of the ballot shall be printed an identified facsimile of the signature of the chairman of the responsible board of elections, State or county.

(c) Primary Election Ballots. —

(1) Kinds of Primary Ballots; Right to Combine: For the purposes of primary elections, there shall be five kinds of official ballots, entitled:

a. Primary ballot for United States Senator

b. Primary ballot for member of the United States House of Representatives

c. State primary ballot

d. County primary ballot

e. Repealed by Session Laws 1973, c. 793, s. 56, effective July 1, 1973.

Use of official primary ballots shall be limited to the purposes indicated by their titles. The printing on all primary ballots shall be plain and legible but, unless large type is specified by this Chapter, type larger than 10-point shall not be used in printing primary ballots.

Primary ballots shall be prepared in accordance with the provisions of G.S. 163-109 and the provisions of this section as modified by the provisions of this subsection.

(2) Separate Ballots for Each Political Party: For each political party conducting a primary election separate ballots shall be printed, and the paper used for each party's ballots shall be different in color from that used for the ballots of other parties. Primary ballots shall not provide for voting a straight-party ticket, but a voting square shall be printed to the left of the name of each candidate appearing on the ballot.

(3) Rotation of Positions on Ballots Among Candidates: The board of elections, State or county, responsible for printing and distributing primary election ballots shall have them printed so that the names of opposing candidates for any office shall, as far as practicable, occupy alternate positions upon the ballot, to the end that the name of each candidate shall occupy with reference to the name of every other candidate for the same office, first position, second position, and every other position, if any, upon an equal number of ballots; and the ballots shall be distributed among the precinct voting places impartially and without discrimination.

(4) Facsimile Signatures: On the bottom of each primary ballot shall be printed an identified facsimile of the signature of the chairman of the board of elections, State or county, responsible for its preparation.

(d) Municipal Primary and Election Ballots. — In all municipal elections there shall be an official ballot on which shall be printed the names of all candidates for offices in the municipality. The municipal ballot shall conform as nearly as possible to the provisions of subsections (a) through (c) of this section, but on the bottom of the municipal ballot shall be printed an identified facsimile of the signature of the chairman of the county or municipal board of elections, as appropriate.

(e) District Solicitors' Ballots. — In all general elections for the election of nominees to the office of solicitor, the State or county board of elections responsible for preparing ballots for that office shall cause to be printed after

the title "Solicitor" on the ballot the words "District Attorney" and shall cause the initial letter of those words to be capitalized, and the words to be put in parentheses and in quotation marks. (1929, c. 164, s. 9; 1931, c. 254, ss. 2-10; 1933, c. 165, ss. 20, 21; 1939, c. 116, s. 1; 1947, c. 505, s. 9; 1949, c. 672, s. 2; 1955, c. 812, s. 1; 1967, c. 775, s. 1; 1973, c. 793, ss. 56, 57.)

The one man, one vote rule does not apply to the State judiciary, and therefore a mere showing of a disparity among the voters or in the population figures of the district would not be sufficient to strike down the election procedure for superior court judges. A showing of an arbitrary and capricious or invidious action or distinction between citizens and voters would be required. Holshouser v. Scott, 335 F. Supp. 928 (M.D.N.C. 1971), aff'd, 409 U.S. 807, 93 S. Ct. 43, 34 L. Ed. 2d 68 (1972).

Validity of Superior Court Election and Rotation Procedure. — A superior court judge is a hybrid official with both local and statewide functions and authority. The requirement that he reside in the district from which he is elected is a matter of convenience, making him available to hear emergency matters, and convenience is an essential factor in arranging an effective judicial system. He rotates among the districts of his division, and may be assigned beyond his division by the Chief Justice. Thus, there is a reasonable basis for the election procedure requiring him to be nominated in the primary election and elected in the general election by statewide vote and it serves and achieves a legitimate state purpose and is not arbitrary and capricious. Holshouser v. Scott, 335 F. Supp. 928 (M.D.N.C. 1971), aff'd, 409 U.S. 807, 93 S. Ct. 43, 34 L. Ed. 2d 68 (1972).

Requiring regular superior court judges to be nominated in the primary election by districts and elected in the general election by statewide vote does not deny equal protection of the laws. Holshouser v. Scott, 335 F. Supp. 928 (M.D.N.C. 1971), aff'd, 409 U.S. 807, 93 S. Ct. 43, 34 L. Ed. 2d 68 (1972).

§ 163-140.1. Political party alignment on ballots. — All ballots printed for use in general elections in the State, district, county or any other political subdivision, shall be aligned with the number of political party columns required pursuant to instructions contained in G.S. 163-140(b) and the columns shall be assigned in strict alphabetical order, beginning with the left column, to the political parties entitled to ballot position provided such political parties reflect at least five percent (5%) of the total statewide voter registration, according to the latest statistical report published by the State Board of Elections. Political parties having less than five percent (5%) of the total statewide voter registration, but otherwise eligible for ballot position shall be assigned column alignment to the right of all other qualified political parties. The State Board of Elections shall be responsible for implementing the procedures required by this section and shall issue instructions to those counties using voting machines so as to accomplish the effect of this section whether such counties utilize voting machines that list party columns in a horizontal or vertical alignment. Every county board of elections shall follow the column alignment prescribed by the State Board of Elections. (1975, c. 809.)

§ 163-141. Sample ballots. — Sample ballots of each kind to be voted in each primary and election shall be printed by the board of elections responsible for printing the official ballots. Sample ballots shall be printed on paper of a color different from that used for the official ballots, and each sample ballot shall have the words "Sample Ballot" printed conspicuously on its face. Sample ballots shall be used for instructional purposes and shall not be used as official ballots.

The State Board of Elections shall distribute the sample ballots for which it is responsible to the county boards of elections at the time it distributes the official ballots; and the county board of elections, at the time it is required to distribute official ballots, shall furnish each precinct registrar with an adequate supply of the sample ballots prepared by the State Board of Elections as well as of those the county board is required to prepare. (1929, c. 164, s. 13; 1931, c. 254, s. 12; 1967, c. 775, s. 1.)

§ 163-142. Number of ballots to be furnished each voting place; packaging; date of delivery; receipt for ballots; accounting for ballots. — The county board of elections shall furnish each precinct voting place with each kind of ballot to be voted in the primary or election in a number equal to one hundred five percent (105%) of the number of persons registered to vote in the primary or election in the precinct.

Each kind of ballot shall be wrapped in a separate package or packages for each precinct voting place. The number of ballots to be placed in each package shall be determined by the chairman of the county board of elections, and the outside of each package shall be marked or stamped to show the kind of ballot and the number contained.

Three days before the primary or election, the county board of elections shall deliver to such precinct registrar the required number of ballots of each kind to be voted in his precinct, and the registrar shall immediately give a receipt for the ballots delivered to him in accordance with the information marked or stamped on the ballot packages.

Within three days after the primary or election, the registrar shall deliver to the county board of elections all ballots spoiled in his precinct. At the same time he shall also deliver to the county board of elections all unused ballots from his precinct. Thereupon, the county board of elections shall make a check to ascertain whether the total of spoiled ballots and unused ballots, when added to the number of ballots cast in the precinct, equal the number of ballots furnished to and receipted for by the registrar prior to the primary or election.

The provisions of this section shall not apply to voting places at which voting machines are used. (1929, c. 164, ss. 10, 11, 14, 25; 1933, c. 165, s. 22; 1951, c. 849, ss. 1, 2; 1967, c. 775, s. 1.)

§ 163-143. Ballot boxes to be furnished each voting place; date of delivery; receipt for boxes. — The county board of elections shall furnish each precinct voting place with a ballot box for each kind of ballot to be voted in the primary or election, together with one additional box in which spoiled ballots are to be deposited. Each box shall be plainly marked to indicate the ballots to be deposited therein, and the extra box to be delivered to each precinct shall be marked "For Spoiled Ballots."

Each ballot box shall be designed so that it may be locked and sealed and shall be constructed with an opening in the top large enough to allow a single ballot to be easily passed through, but no larger. At the time ballot boxes are delivered to the precinct, the chairman of the county board of elections shall furnish each registrar with a lock and proper seals for each box to be used in his precinct, with instructions as to how each box is to be securely locked and sealed in compliance with G.S. 163-171.

Three days before the primary or election, the county board of elections shall deliver to each precinct registrar the number of ballot boxes required for his precinct, and the registrar shall immediately give a receipt for them.

The provisions of this section shall not apply to voting places at which voting machines are used. (1929, c. 164, ss. 12, 14; 1931, c. 254, s. 11; 1967, c. 775, s. 1.)

§ 163-144. Lost, destroyed, damaged, and stolen ballots; replacement; report. — Should official ballots furnished to any precinct in accordance with the provisions of this chapter be lost, destroyed, damaged, or stolen, the county board of elections, upon ascertaining that a shortage of ballots exists in the precinct, shall furnish the needed replacement ballots.

Within three days after the primary or election, the registrar of the precinct in which the loss occurred shall make a written report, under oath, to the county board of elections describing in detail the circumstances of the loss, destruction, damage, or theft of the ballots. (1929, c. 164, s. 15; 1967, c. 775, s. 1.)

§ 163-145. Voting booths; description; provision. — The county board of elections shall furnish each voting place with at least one voting booth for each 100 persons qualified to vote in the precinct. Each voting booth shall be at least three feet square and six feet high; it shall have three sides and a door or curtain in front. The bottom of the door or curtain shall hang two feet above the floor. Each voting booth shall be equipped with a table or shelf on which voters may conveniently mark their ballots.

The provisions of this section shall not apply to voting places at which voting machines are used. (1929, c. 164, s. 17; 1967, c. 775, s. 1.)

§ 163-146. Voting enclosure at voting place; furnishings; arrangement. — At each precinct voting place as described in G.S. 163-129, there shall be a room or area set apart as the voting enclosure. The limits of the voting enclosure shall be defined by walls, guardrails, or other boundary markers which at no point stand nearer than 10 feet nor farther than 20 feet from each ballot box or voting machine. This enclosure shall be arranged so that a single door or opening (not more than three feet wide) can be used as the entrance for persons seeking to vote.

Within the voting enclosure and in plain view of the qualified voters present at the voting place shall be placed:

(1) A table or desk on which the registrar shall place and use the precinct registration books and records.
(2) A table or desk on which the responsible judge shall place and superintend the ballots for distribution and the box for spoiled ballots.
(3) A table or desk on which the responsible judge shall place and maintain the pollbook.
(4) The ballot boxes.
(5) The voting booths.

All voting booths and ballot boxes shall be placed in plain view of the registrar and judges as well as of the qualified voters present at the voting place.

The registrar's table shall be placed near the entrance to the voting enclosure.

Each voting booth shall be located and arranged so that it is impossible for a voter in one booth to see a voter in another booth in the act of marking his ballots. Each voting booth shall be kept properly lighted and provided with pencils or pens for marking ballots.

In precincts in which voting machines are used, ballot boxes and voting booths shall not be used. Within the voting enclosure at the voting place in such a precinct, each machine shall be placed so that the exterior from all its sides is visible and so that whenever it is not in use by a voter the ballot labels on its face may be plainly seen by the precinct officials and assistants, and by observers appointed under the provisions of G.S. 163-45. Precinct election officials and assistants shall not place themselves, nor shall they permit any other person to place himself, in any position that will permit one to see or ascertain how a voter votes on a voting machine except when the voter obtains assistance as provided in this Chapter.

No political banner, poster, or placard shall be allowed in or upon the voting place during the day of a primary or election. (1929, c. 164, s. 19; 1967, c. 775, s. 1; 1973, c. 793, ss. 58, 94.)

§ 163-147. No loitering or electioneering at voting place. — No person or group of persons shall, while the polls are open at the voting place on the day of the primary or election, loiter about, congregate, distribute campaign material, or do any electioneering within the voting place, or within 50 feet in any direction of the entrance or entrances to the building in which the voting place is located. Notwithstanding the above provision, if the voting place is located in a large building, the registrar and judges of the precinct may designate the entrance to the voting place within said building and none of the

above activity shall be permitted within 50 feet of said entrance or entrances of said voting place. This section shall not, however, prohibit any candidate for nomination or election from visiting such voting place in person, provided he does not enter the voting enclosure except to cast his vote as a registered voter in said precinct. The county boards of elections and precinct registrars shall have full authority to enforce the provisions of this section. (1929, c. 164, s. 19; 1967, c. 775, s. 1; 1971, c. 537.)

Local Modification Held Invalid. — Session Laws 1969, c. 1039 is inoperable in Cumberland, Franklin, Guilford and Vance Counties. Clayton v. North Carolina State Bd. of Elections, 317 F. Supp. 915 (E.D.N.C. 1970).

Session Laws 1969, c. 1039, changed electioneering practices in the four counties covered by the Voting Rights Act in 1969 from what they had been on November 1, 1964. This change was a change in "standard, practice, or procedure with respect to voting" within the meaning of § 5 of the Voting Rights Act. Clayton v. North Carolina State Bd. of Elections, 317 F. Supp. 915 (E.D.N.C. 1970).

There is no possible basis to explain, or any state of facts to justify, the difference in treatment between the counties to which Session Laws 1969, c. 1039 is applicable and the 94 counties which are governed by prior law. Therefore, Session Laws 1969, c. 1039, denies equal protection of the laws. Clayton v. North Carolina State Bd. of Elections, 317 F. Supp. 915 (E.D.N.C. 1970).

The right to vote includes the right to be educated on the candidates and propositions for which a vote is to be cast. To increase the closest distribution points to the circumference of a circle having a 500 foot radius rather than the circumference of a circle having a 50 foot radius will result in a greatly increased burden on political parties and render more difficult the distribution of campaign literature to persons converging on the polling place. More importantly, distributions to far fewer voters will be accomplished under Session Laws 1969, c. 1039, than previously. Clayton v. North Carolina State Bd. of Elections, 317 F. Supp. 915 (E.D.N.C. 1970).

§ 163-148. Procedures at voting place before polls are opened. — At least one-half hour before the time set for opening the polls for each primary and election, the judges of elections and assistants, shall meet the registrar at the precinct voting place, at which time the registrar shall administer to them the appropriate oaths set out in G.S. 163-41(a) and G.S. 163-42.

The registrar and judges shall arrange the voting enclosure according to the requirements of G.S. 163-146 and the instructions of the county board of elections. They shall then unlock the official ballot boxes, see that they are empty, allow authorized observers and other voters present to examine the boxes, and then they shall relock them while still empty. They shall open the sealed packages of ballots, and one of the judges, at the registrar's request, shall announce that the polls are open and state the hour at which they will be closed.

If voting machines are used in the precinct, immediately before the polls are opened the registrar and judges shall open each voting machine, examine the ballot labels, and check the counters to see that they are set to indicate that no votes have been cast or recorded; at the same time, the precinct officials shall allow authorized observers and other voters present to examine the machines. If found to be in order and the ballot labels in proper from, the precinct officials shall lock and seal each machine, and it shall remain locked until after the polls are closed. (1929, c. 164, s. 18; 1967, c. 775, s. 1; 1973, c. 793, ss. 59, 94.)

§ 163-149. Protection of ballots, ballot boxes, pollbook, and registration records on day of primary or election. — When the empty official ballot boxes have been relocked after the inspection required by G.S. 163-148 before the polls are opened on the day of each primary and election, they shall not be unlocked or opened until the polls are closed.

Only official ballots shall be allowed to be deposited in the ballot boxes, and no other articles or matter shall be placed in them.

No person shall purposely deface or tear an official ballot in any manner, and no person shall purposely erase any name or mark written on a ballot by a voter.

From the time the polls are opened until the precinct count has been completed, the returns signed, and the results declared, no person shall take or remove from the voting enclosure the official ballot boxes, the box for spoiled ballots, the pollbook, the registration book or records, or any official ballots. (1929, c. 164, ss. 18, 22, 23, 25; 1931, c. 254, s. 14; 1939, c. 263, s. 3½; 1953, c. 1040; 1967, c. 775, s. 1.)

§ 163-150. Voting procedures. — (a) Checking Registration. — A person seeking to vote shall enter the voting enclosure at the voting place through the appropriate entrance and shall at once state his name and place of residence to one of the judges of election. In a primary election, the voter shall also state the political party with which he affiliates and in whose primary he desires to vote. The judge to whom the voter gives this information shall announce the name and residence of the voter in a distinct tone of voice. After examining the precinct registration records, the registrar shall state whether the person seeking to vote is duly registered.

(b) Distribution of Ballots; Information. — If the voter is found to be registered and is not challenged, or, if challenged and the challenge is overruled as provided in G.S. 163-88, the responsible judge of election shall hand him an official ballot of each kind he is entitled to vote. In a primary election the voter shall be furnished ballots of the political party with which he affiliates and no others. It shall be the duty of the registrar and judges holding the primary or election to give any voter any information he desires in regard to the kinds of ballots he is entitled to vote and the names of the candidates on the ballots. In response to questions asked by the voter, the registrar and judges shall communicate to him any information necessary to enable him to mark his ballot as he desires.

(c) Act of Voting. — When a person is given official ballots by the judge, he shall be deemed to have begun the act of voting, and he shall not leave the voting enclosure until he has deposited his ballots in the ballot boxes or returned them to the precinct officials. When he leaves the voting enclosure, whether or not he has deposited his ballots in the ballot boxes, he shall not be entitled to enter the voting enclosure again for the purpose of voting. On receiving his ballots, the voter shall immediately retire alone to one of the voting booths unless he is entitled to assistance under the provisions of G.S. 163-152, and without undue delay he shall mark his ballots in accordance with the provisions of G.S. 163-151.

(d) Spoiled and Damaged Ballots. — If a voter spoils or damages a ballot, he may obtain another upon returning the spoiled or damaged ballot to the registrar. A voter shall not be given a replacement ballot until he has returned the spoiled or damaged ballot, and he shall not be given more than three replacement ballots in all. The registrar shall deposit each spoiled or damaged ballot in the box provided for that purpose.

(e) Depositing Ballots and Leaving Enclosure. — When the voter has marked his ballots he shall leave the voting booth and deposit them in the appropriate boxes or hand them to the registrar or a judge who shall deposit them for him. If he does not mark a ballot he shall return it to one of the precinct officials before leaving the voting enclosure. If the voter has been challenged and the challenge has been overruled, before depositing his ballots in the boxes he shall write his name on each of his ballots so they may be identified in the event his right to vote is again questioned. After depositing his ballots in the ballot boxes, the voter shall immediately leave the voting enclosure unless he is one of the persons authorized by law to remain within the enclosure for purposes other than voting.

(f) Maintenance of Pollbook or Other Record of Voting. — At each primary, general or special election, the precinct registrar shall appoint two precinct assistants (one from each political party as recommended by the county chairman thereof), one to be assigned to keep the pollbook or other voting record

used in the county as approved by the State Board of Elections, and the other to keep the registration books under the supervision of the precinct officials. The names of all persons voting shall be checked on the registration records and entered on the pollbook or other voting record. In a primary election each voter's party affiliation shall be entered in the proper column of the book or other approved record opposite his name. The precinct assistant shall make each entry at the time the ballots are handed to the voter. As soon as the polls are closed, the registrar and judges of election shall sign the pollbook or other approved record immediately beneath the last voter's name entered therein. The registrar or the judge appointed to attend the county canvass shall deliver the pollbook or other approved record to the chairman of the county board of elections at the time of the county canvass, and the chairman shall remain responsible for its safekeeping.

(g) Subject to the provisions of G.S. 163-152 and G.S. 163-152.1, no voter shall be allowed to occupy a voting booth or voting machine already occupied by another voter, provided, however, husbands and wives may occupy the same voting booth if both wish to do so. No voter shall be allowed to occupy a voting booth or voting machine more than five minutes if all the booths or machines are in use and other voters are waiting to obtain booths or machines. (1915, c. 101, s. 11; 1917, c. 218; C. S., s. 6031; 1921, c. 181, s. 6; 1923, c. 111, s. 14; 1929, c. 164, ss. 20, 22, 23, 25; 1931, c. 254, ss. 13, 14; 1939, c. 263, s. 312; 1953, c. 1040; 1955, c. 767; 1959, c. 1203, s. 7; 1967, c. 775, s. 1; 1973, c. 793, ss. 60, 61; c. 1223, s. 7; c. 1344, ss. 2, 3.)

Absence of Officer in Charge for a Short Time. — That one of the officers appointed to conduct an election was absent a short time from the polls, during which time no vote was cast and the ballot boxes were not tampered with, nor was any opportunity afforded for tampering with them, does not vitiate the election. State ex rel. DeBerry v. Nicholson, 102 N.C. 465, 9 S.E. 545 (1889).

Inquiry as to Voter's Qualifications Rests with Election Officials. — The law does not contemplate that a watcher or any other person may take charge when he challenges a voter at the polls and conduct a hearing with respect to the voter's right to vote. The inquiry with respect to the voter's qualifications to vote rests with the election officials. Overton v. Mayor & City Comm'rs, 253 N.C. 306, 116 S.E.2d 808 (1906).

Choice as to Voting. — The provisions of our State Constitution, Art. VI, § 5, making the distinction that the elector shall vote by ballot, and an election by the General Assembly shall be viva voce, gives under our statute, the elector the choice to deposit his own ballot secretly, or to declare his choice openly when depositing it, or to have the registrar, or one of the judges of election, deposit it for him. Jenkins v. State Bd. of Elections, 180 N.C. 169, 104 S.E. 346 (1920).

§ 163-151. Method of marking ballots in primary and election. — The voter shall adhere to the following rules in marking his ballots:

(1) In Both Primaries and Elections. —

a. A voter may designate his choice of candidate by making a cross (X) mark, a check mark, or some other clear indicative mark in the appropriate voting square or circle.

b. A voter should not mark more names for any office than there are positions to be filled by election.

c. A voter should not affix a sticker to a ballot, mark a ballot with a rubber stamp, attach anything to a ballot, wrap or fold anything in a ballot, or do anything to a ballot other than mark it properly with pencil or pen.

d. A voter should follow the instructions printed on the ballot.

(2) In an Election But Not in a Primary. —

a. If a voter desires to vote for all candidates of one political party (a straight ticket) he shall either:

1. Make a cross (X) mark in the circle printed below the name of the party at the top of the ballot; or

2. Make a cross (X) mark in the voting square at the left of the name of every candidate of the party printed on the ballot.

b. If a voter desires to vote for candidates of more than one political party (a split ticket), he shall not mark in the circle printed below the name of any party on the ballot; instead, he shall make a cross (X) mark in the voting square at the left of the name of each candidate for whom he desires to vote without regard to the party column in which the names are printed.

c. If a voter desires to vote for a person whose name is not printed on the ballot, he shall write the name of the person for whom he wishes to vote in the space immediately beneath the name of a candidate printed in the section of the ballot assigned to the particular office. In such a situation, the voter shall write the name himself unless he is receiving assistance to which he is entitled under the provisions of G.S. 163-152, in which case the person rendering assistance may write the name for the voter under his direction.

d. Repealed by Session Laws 1973, c. 793, s. 62.

(3) In a Primary. — A voter shall not write the name of any person on the official ballot. (1929, c. 164, ss. 21, 28; 1931, c. 254, s. 15; 1933, c. 165, s. 23; 1939, c. 116, s. 2; 1947, c. 505, s. 10; 1955, c. 812, s. 2; c. 1104, ss. 1-2½; 1957, cc. 344, 440, 589, 647, 737, 1383; 1959, cc. 105, 604, 610, 888; c. 1203, ss. 8, 9; 1961, c. 451; 1963, cc. 154, 167, 376, 389, 390, 567, 774; 1965, cc. 119, 154, 547, 727; c. 1117, s. 3; 1967, c. 775, s. 1; c. 1016; 1969, cc. 190, 917, 1253; 1971, c. 807; 1973, c. 793, s. 62.)

Local Modification to Former § 163-175. — City of Washington: 1959, c. 847.

Constitutionality. — Former § 163-117 and former subdivisions (3)b and (2)d of this section were unconstitutional, and their enforcement was permanently enjoined. Dunston v. Scott, 336 F. Supp. 206 (E.D.N.C. 1972).

Selective and arbitrary application of the anti-single shot law, former paragraphs d of subdivision (2) and b of subdivision (3) of this section, in some districts and not in others, denied to the voters of North Carolina the equal protection of the laws and was unconstitutional. The state had shown no justification or even rationale for discriminating between voters of covered and exempted areas. Such an unexplained classification was inherently suspect and failed even the ordinary test of equal protection. Dunston v. Scott, 336 F. Supp. 206 (E.D.N.C. 1972).

The anti-single shot law, contained in former paragraphs d of subdivision (2) and b of subdivision (3) of this section, denied to voters in North Carolina the equal protection of the laws because it allowed voters to single shot vote in some areas of the state while prohibiting this manner of voting in others, and the state had shown no justification for this discrimination. Dunston v. Scott, 336 F. Supp. 206 (E.D.N.C. 1972).

Effect of Voting Rights Act. — Every amendment to the anti-single shot law contained in former paragraphs d of subdivision (2) and b of subdivision (3) of this section, whether an addition or deletion, which affected any part of one or more of the 39 counties covered by the Voting Rights Act of 1965 should have been submitted to the Attorney General of the United States or been the subject of a declaratory judgment action as outlined by 42 U.S.C. § 1973c. Dunston v. Scott, 336 F. Supp. 206 (E.D.N.C. 1972).

Subdivision (2) of this section and §§ 163-96, 163-98 and 163-122 are not available to candidate denied access to primary election ballot under § 163-107. Brown v. North Carolina State Bd. of Elections, 394 F. Supp. 359 (W.D.N.C. 1975).

§ 163-152. Assistance to voters in primaries and general elections. — (a) In Primaries or General Election. —

(1) Who Is Entitled to Assistance: In a primary or general election, a registered voter qualified to vote in the primary or general election shall be entitled to assistance in getting to and from the voting booth and in preparing his ballots in accordance with the following rules:

a. Any voter shall be entitled to assistance from a near relative of his choice.

b. If no near relative of the voter's choice is present at the voting place, a voter in any of the following three categories shall be entitled to assistance from any voter of the precinct who has not given aid to another voter at the same primary or general election; or, if no such person be present at the voting place, from the registrar or one of the judges of election:

1. One who, on account of physical disability, is unable to enter the voting booth without assistance.
2. One who, on account of physical disability, is unable to mark his ballots without assistance.
3. One who, on account of illiteracy, is unable to mark his ballots without assistance.

(2) Procedure for Obtaining Assistance: A person seeking assistance in a primary or general election shall, upon arriving at the voting place, first request the registrar to permit him to have assistance, stating his reasons. If the registrar determines that the voter is entitled to assistance, he shall ask the voter to point out and identify the near relative or other voter of the precinct he desires to help him and to whose assistance he is entitled under this section. The registrar shall thereupon direct the near relative or other voter indicated to render the requested aid. If no near relative or other voter of the voter's choice is present, the voter entitled to assistance may request and obtain aid from the registrar or one of the judges.

(b) Repealed by Session Laws 1973, c. 793, s. 63.

(c) Conduct of Persons Rendering Assistance. — Anyone rendering assistance to a voter in a primary or general election or election under the provisions of this section shall be admitted to the voting booth with the person being assisted and shall be governed by the following rule:

(1) He shall not in any manner seek to persuade or induce any voter to cast his vote in any particular way.

(2) Except when going to or returning from a voting booth with a voter as authorized by this section, he shall remain within the voting place but shall not come within 10 feet of the voting enclosure.

(3) Immediately after rendering assistance, he shall vacate the voting booth and withdraw to his place in the voting place outside the voting enclosure.

(4) He shall not accompany the voter from the voting booth to the ballot box unless the voter requires and requests assistance on account of physical disability; if assistance is rendered in this way, he shall not converse with the voter prior to the time he deposits his ballots in the ballot boxes.

(5) He shall not make or keep any memorandum of anything which occurs within the voting booth.

(6) He shall not, directly or indirectly, reveal to any person how, in any particular, the assisted voter marked his ballots, unless he or they are called upon to testify in a judicial proceeding for a violation of the election laws.

(d) Meaning of "Near Relative". — As used in this section, the words "near relative" shall include the voter's husband, wife, brother, sister, parent, child, grandparent, and grandchild, but no other relative.

(e) Violation of Section. — It shall be unlawful for any person to give, receive, or permit assistance in the voting booth during any primary or general election or election to any voter otherwise than as is allowed by this section. (1929, c. 164, ss. 26, 27; 1933, c. 165, s. 24; 1939, c. 352, ss. 1, 2; 1953, c. 843; 1955, c. 800;

1957, c. 784, s. 6; 1959, c. 616, s. 1; 1963, c. 303, s. 1; 1967, c. 775, s. 1; 1973, c. 793, s. 63.)

Local Modification to Former §§ 163-172 and 163-173. — Brunswick: 1933, c. 164; 1935, c. 221; Cherokee: 1935, c. 461; 1937, c. 391; 1965, c. 737; 1967, c. 1000; Cumberland: 1937, c. 426; Sampson: 1941, c. 166.

Local Modification to Former § 163-174. — Cumberland, Wilson: 1939, c. 402.

Violations. — It was a violation of former § 163-172 for a judge of elections to mark the ballots for voters without any request for assistance by the voters, or, in the event of a request for assistance, to fail to return the marked ballot to the voter in order that the voter might see how it was marked before putting it in the ballot box. Overton v. Mayor & City Comm'rs, 253 N.C. 306, 116 S.E.2d 808 (1960).

§ 163-152.1. Assistance to blind voters in primaries and elections. — Any blind voter shall be permitted to select assistance of his own choosing in any primary or election without regard to residency within the voting precinct provided, such voter has recorded at the time of registration or prior to the date of the election, a certificate issued by the Department of Human Resources, by an optometrist or by a physician, stating that the named individual should be entitled to assistance as a blind voter. Upon receipt of such certification the registrar or special registration commissioner shall enter on the voter's registration record the words "blind voter" so as to establish such fact and so as to entitle such voter to the same assistance in subsequent primaries and elections whether such voter resides in a county with full-time registration or regular registration. The certification presented to the precinct registrar or special registrar shall be forwarded to the chairman of the county board of elections to be filed as a permanent record with the voter's duplicate registration record as required by G.S. 163-65. (1969, c. 175; 1973, c. 476, s. 143.)

§ 163-153. Access to voting enclosure. — In all counties, only the following persons shall be allowed within the voting enclosure while the polls are open to voting:

(1) Officers of election, that is, members of the State Board of Elections, members of the county board of elections, and the precinct registrar, precinct judges of election, and assistants appointed for the precinct under the provisions of G.S. 163-42.
(2) Voters in the act of voting.
(3) A near relative of a voter, but only while assisting the voter as authorized in G.S. 163-152.
(4) Any voter of the precinct called upon to assist another voter, but only while assisting him as authorized in G.S. 163-152.
(5) Municipal policemen assigned by the municipal authorities to keep the peace at a voting place located within the municipality, but only when requested to come within the voting enclosure by the registrar and judges for the purpose of preventing disorder; at the request of the registrar and judges, they shall withdraw from the voting enclosure and remain at least 10 feet from its entrance.
(6) Any voter of the precinct while entering and explaining a challenge.
(7) Observers appointed under the provisions of G.S. 163-45. (1929, c. 164, s. 24; 1955, c. 871, s. 7; 1967, c. 775, s. 1; 1969, c. 1280, s. 1; 1973, c. 793, ss. 64, 94.)

Local Modification to Former § 163-170. — Cumberland: 1937, c. 426.

§ 163-154. Posting lists of civilian and military absentee voters and new resident presidential election voters. — (a) In General Elections. — When

delivered to the registrar at the voting place on the day of a general election as required by G.S. 163-233, G.S. 163-251, or G.S. 163-73, the registrar shall immediately post in a conspicuous location at the voting place:

(1) The list (and any supplemental lists) of absentee ballots to be voted in the precinct which have been received by the chairman of the county board of elections.

(2) The list (and any supplemental lists) entitled "List of Applicants for Military Absentee Ballots to Whom Ballots Have Been Issued" prepared in compliance with the provisions of G.S. 163-251.

(3) The list of new resident voters of the precinct entitled to cast ballots for presidential electors but for no other offices prepared by the chairman of the county board of elections in compliance with the provisions of G.S. 163-73.

(b) In Primary Elections. — When delivered to the registrar at the voting place on the day of a primary election, the registrar shall immediately post in a conspicuous place at the voting place the list (and any supplemental lists) entitled "List of Applicants for Military Absentee Ballots to Whom Ballots Have Been Issued" prepared by the chairman of the county board of elections in compliance with the provisions of G.S. 163-251. (1939, c. 159, s. 7; 1943, c. 503, s. 4; c. 751, s. 4; 1963, c. 457, s. 7; 1965, c. 871; 1967, c. 775, s. 1.)

Editor's Note. — Section 163-73 cited in the introductory paragraph and subdivision (3) of subsection (a) was repealed by Session Laws 1973, c. 793, s. 29.

§ 163-155. Aged and disabled persons allowed to vote outside voting enclosure. — In any primary or election any qualified voter who is able to travel to the voting place, but because of age, or physical disability and physical barriers encountered at the voting place is unable to enter the voting place or enclosure to vote in person without physical assistance, shall be allowed to vote between the hours of 9:00 A.M. and 5:00 P.M. only either in the vehicle conveying such person to the voting place or in the immediate proximity of the voting place under the following restrictions:

(1) The county board of elections shall have printed and numbered a sufficient supply of affidavits to be distributed to each precinct registrar which shall be in the following form:

"*Affidavit of person voting outside voting place or enclosure.*

State of North Carolina

County of .....

I do solemnly swear (or affirm) that I am a registered voter in . . . . . precinct. That because of age or physical disability I am unable to enter the voting place to vote in person without physical assistance. That I desire to vote outside the voting place and enclosure.

I understand that a false statement as to my condition will subject me to a fine not to exceed five hundred dollars ($500.00) or imprisonment not to exceed six months, or both.

....

Date Signature of Voter

.....

Address

.....

Signature of assistant who administered oath."

(2) The registrar shall designate one of the assistants, appointed under G.S. 163-42 to attend the voter. Upon arrival outside the voting place, the voter shall execute the affidavit after being sworn by the assistant. The

ballots shall then be delivered to the voter who shall mark the ballots and hand them to the assistant. The ballots shall then be delivered to one of the judges of elections who shall deposit the ballots in the proper boxes. The affidavit shall be delivered to the other judge of election.

(3) The voter shall be entitled to the same assistance in marking the ballots as is authorized by G.S. 163-152.

(4) The affidavit executed by the voter shall be retained by the county board of elections for a period of six months. In those precincts using voting machines, the county board of elections shall furnish paper ballots of each kind for use by persons authorized to vote outside the voting place by this section.

(5) If there is no assistant appointed under G.S. 163-42 to perform the duties required by this section, the precinct registrar or one of the precinct judges, to be designated by the voter, if he chooses, or, if he does not, by the precinct registrar, shall perform those duties.

A violation of this section shall be a misdemeanor and upon conviction punished by a fine not to exceed five hundred dollars ($500.00) or imprisonment not to exceed six months, or both, in the discretion of the court. (1971, c. 746, s. 1; 1973, c. 793, s. 65.)

§§ 163-156 to 163-159: Reserved for future codification purposes.

ARTICLE 14.

Voting Machines.

§ 163-160. Voting machines; approval; rules and regulations. — The State Board of Elections shall have authority to approve types and kinds of voting machines for use in primaries and elections held in this State. The use of voting machines which have been approved by the State Board of Elections in any primary or election held in any county or municipality shall be as valid as the use of paper ballots by the voters.

The State Board of Elections shall prescribe rules and regulations for the adoption, handling, operation, and honest use of voting machines, including, but not limited to, rules and regulations governing:

(1) Types of voting machines approved for use in this State;
(2) Form of ballot labels to be used on voting machines;
(3) Operation of and manner of voting on voting machines;
(4) Instruction of precinct election officials in the use of voting machines;
(5) Instruction of voters in the use of voting machines;
(6) Assistance to voters using voting machines;
(7) Duties of custodians of voting machines;
(8) Examination of voting machines before use in a primary election; and
(9) Use of paper ballots where voting machines are used as set out in G.S. 163-162. (1949, c. 301; 1953, c. 1001; 1955, c. 1066, s. 1; 1967, c. 775, s. 1; 1975, c. 149, s. 3.)

Local Modification to Former § 163-187.4. —
Forsyth: 1965, c. 732, s. 1.

§ 163-161. Adoption of voting machines by county or municipality. — (a) Discretionary Authority. — In whatever manner and upon whatever terms the board of county commissioners deems to be in the best interest of the county, it may adopt and purchase or lease voting machines of a type approved by the State Board of Elections for use in some or all voting places in the county at some or all primaries and elections. Specifically, the board may purchase voting

machines upon an installment basis or otherwise, or it may lease voting machines with or without an option to purchase.

The governing body of any municipality shall have the same authority with respect to the acquisition and use of voting machines for municipal primaries and elections.

In addition, the governing body of any municipality and the board of commissioners of the county in which the municipality is situated shall have authority, jointly, upon such terms as they may agree to, to adopt and purchase or lease voting machines for use in some or all voting places of the county and municipality at some or all primaries and elections held in the two units of government.

Before adopting or acquiring voting machines under the authority of this subsection, the commissioners of the county, or the governing body of the municipality, or both jointly, may, at their discretion, submit to the voters of the county, or the municipality, or of both units, the question of whether voting machines should be adopted for use in primaries and elections in the unit or units. The question may be submitted at any general election or special election ordered to be held for some purpose other than the submission of this issue. The results of the referendum authorized under this subsection shall be advisory only and shall not bind the governing body submitting the question.

(b) Referendum Discretionary Upon Petition. — Upon receipt of a written petition signed by at least 500 registered voters of the county or municipality, the board of county commissioners or municipal governing body may submit to the voters of the county or municipality the question of adopting voting machines for use in all voting places of the county or municipality at all primaries and elections held in the unit. In such a case, each person signing the petition shall write the name or number of his precinct after his name.

The question may be submitted at any general election or special election ordered or held for some purpose other than the submission of this issue. If a majority of the voters casting ballots in the referendum approve the adoption of voting machines, the board of county commissioners or the governing body of the municipality may adopt for use in primaries and elections in the unit voting machines of a type or kind approved by the State Board of Elections.

(c) Care and Custody of Voting Machines. — When the unit governing body has decided to adopt and purchase voting machines under the provisions of subsection (a) of this section, or when the adoption of voting machines has been approved in a referendum conducted under the provisions of subsection (b) of this section, the board of county commissioners or municipal governing body shall, as soon as practical, provide for each voting place in the unit one or more approved voting machines in complete working order. If it is impractical to furnish each voting place with voting machines, those obtained may be placed in voting places chosen, in the case of a county, by the county board of elections, and in the case of a municipality, by the governing body.

The county board of elections or the municipal governing body shall appoint as many voting machine custodians as may be necessary for the proper preparation of the machines for each primary and election and for their maintenance, storage, and care. (1949, c. 301; 1953, c. 1001; 1955, c. 1066, s. 1; 1967, c. 775, s. 1.)

§ 163-162. Use of paper ballots where voting machines used. — In counties in which voting machines are used in some or all precincts the county board of elections shall have authority to furnish paper ballots of each kind to precincts using voting machines for use by:

(1) Persons required to sign their ballots under the provisions of G.S. 163-150(e) and 163-155, and

(2) Persons who wish to write in names of candidates who are not on the ballot, if it is not practical to use voting machines to record write-in

votes in particular precincts because of the horizontal or vertical printing limitations of G.S. 163-137. (1967, c. 775, s. 1; 1973, c. 793, s. 66; 1975, c. 149, s. 2.)

Editor's Note. — The 1975 amendment designated the language beginning "Persons required" as subdivision (1), added "and" at the end of that subdivision, and added subdivision (2).

§§ 163-163 to 163-167: Reserved for future codification purposes.

ARTICLE 15.

Counting Ballots, Canvassing Votes, and Certifying Results in Precinct and County.

§ 163-168. Proceedings when polls are closed. — At the time set by G.S. 163-2 for closing the polls on the day of a primary, general or special election, the precinct registrar shall announce that the polls are closed, but any qualified voters who are then in the process of voting or who are in line at the voting place waiting to vote, whether or not they are within the voting enclosure or voting place boundaries, shall be allowed to vote.

At closing time, the registrar, or a judge designated by the registrar, shall enter into the pollbook, on a separate page labeled "Persons Waiting to Vote at Closing Time in the Primary Election Held the . . . . . Day of . . . . ., 19. . . . . ," the names of all persons then in line at the voting place waiting to vote, beginning with the person last in line and proceeding to the person first in line at closing time. No persons shall be allowed to vote after closing time unless their names are so listed. (1933, c. 165, s. 8; 1955, c. 891; 1961, c. 487; 1967, c. 775, s. 1; 1973, c. 793, s. 67.)

§ 163-169. Counting ballots at precincts; unofficial report of precinct vote to county board of elections. — (a) Instructions. — Before each primary and election, the chairman of the county board of elections shall furnish each registrar written instructions on how ballots shall be marked and counted. Before starting the counting of ballots in his precinct, the registrar shall instruct all of the judges, assistants, and ballot counters in how differently marked ballots shall be counted and tallied.

(b) General Rule. — Only official ballots shall be counted. No ballot shall be counted which is marked contrary to law, but no ballot shall be rejected for a technical error unless it is impossible to determine the voter's choice.

(c) Right to Witness Precinct Count. — The counting of the ballots in each box shall be made in the presence of the precinct election officials and witnesses and observers who are present and desire to observe the count. Observers shall not interfere with the orderly counting of the ballots.

(d) Counting to Be Continuous; Precinct Officials Not to Separate. — As soon as the polls are closed the registrar and judges shall, without adjournment or postponement, open the ballot boxes and count the ballots. The counting of ballots at the precinct shall be continuous until completed. More than one box may be counted at the same time by the precinct officials, assistants, and ballot counters, but the registrar and judges shall supervise the counting of all boxes and shall be responsible for them. From the time the first ballot box is opened and the count of votes begun until the votes are counted and the statement of returns made out, signed, certified as required by G.S. 163-173, and delivered to the registrar or judge chosen to deliver them to the county board of elections, the precinct registrar and judges shall not separate, nor shall any one of them leave the voting place except for unavoidable necessity.

(e) Counting Primary Ballots. — In a primary election only one ballot shall be removed from the ballot box at a time, and it shall be opened in full view of the precinct election officials and witnesses present. The name of each candidate voted for shall be read aloud distinctly, and the vote received by each candidate shall be tallied on the tally sheet. This procedure shall be followed for all ballot boxes being counted at the same time.

(f) Counting General Election Ballots. — In a general election the contents of a ballot box may be emptied upon a table and the ballots divided into two piles:

(1) All those ballots marked in the circle of one political party to indicate a vote for all of the candidates of that party, that is, "straight tickets," which shall be so counted and tallied.

(2) All those ballots marked for candidates of more than one political party, that is, "split tickets," which shall be called and tallied in the manner prescribed for counting primary ballots in subsection (e) of this section.

(g) Questioned Ballots. — All questions arising with respect to how a ballot shall be counted or tallied shall be referred to the registrar and judges of election for determination before the completion of the counting of the ballots in the box from which the questioned ballot was taken.

(h) Unofficial Report of Precinct Returns. — On the night of the primary or election, as soon as the votes have been counted and the precinct returns certified, the registrar, or one of the judges selected by the registrar, shall report the total precinct vote for each candidate, constitutional amendment, and proposition by telephone or otherwise to the county board of elections. This report shall be unofficial and shall have no binding effect upon the official county canvass to follow. As soon as the precinct reports are received, the chairman, secretary, or clerk to the county board of elections shall publish the reports to the press, radio, and television. The costs incurred in executing the provisions of this subsection shall be charged to the operating expense of the county board of elections.

(i) Absentee Ballots. — Absentee ballots shall be deposited and voted in accordance with the provisions of G.S. 163-234; they shall be counted and tabulated as provided in this section and G.S. 163-170.

(j) Presidential Ballots of New Resident Voters. — The ballots of all new resident voters cast for presidential electors under the provisions of G.S. 163-56 and G.S. 163-73 which are not challenged, or, if the challenge is not sustained, shall be counted and tallied in the manner provided in subsection (i) of this section for counting and tallying absentee ballots, and shall be made a part of the official precinct returns for presidential electors. (1933, c. 165, s. 8; 1953, c. 843; 1955, cc. 800, 891; 1961, c. 487; 1963, c. 303, s. 1; 1965, c. 871; 1967, c. 775, s. 1; 1973, c. 793, s. 94.)

Editor's Note. — Sections 163-56 and 163-73 cited in subsection (j) were repealed by Session Laws 1973, c. 793, ss. 19, 29.

Counting by Others than Officers of Election. — While it is irregular to permit other persons than the officers of election to count the ballots, yet, unless it appears affirmatively that the count was not correct, that fact will not be allowed to vitiate the election, especially when the judges accepted and certified the result thus ascertained as true. State v. Calvert, 98 N.C. 580, 4 S.E. 127 (1887).

§ 163-170. Rules for counting ballots. — No ballot shall be counted which is marked contrary to law, but no ballot shall be rejected for a technical error unless it is impossible to determine the voter's choice. In applying this general principle, all election officials shall be governed by the following rules:

(1) Only official ballots shall be counted.

(2) If for any reason it is impossible to determine a voter's choice for an office to be filled, the ballot shall not be counted for that office but shall be counted for all other offices.

(3) If a ballot is marked for more names than there are persons to be elected to an office, it shall not be counted for that office but shall be counted for all other offices.
(4) If a ballot has been defaced or torn by a voter it shall not be counted.
(5) If a voter has affixed a sticker to a ballot, marked a ballot with a rubber stamp, attached anything to a ballot, wrapped or folded anything in a ballot, or done anything to a ballot other than mark it properly with pencil or pen, it shall not be counted.
(6) If a name has been written in on an official general election ballot as provided in G.S. 163-151(2), it shall be counted in accordance with the following instructions:
a. If the name was written in by an election official or by any person other than the voter himself or a person assisting him pursuant to the provisions of G.S. 163-152, the name written in shall not be counted.
b. If the name has been written in the space immediately beneath the name of a candidate for a particular office, it shall be counted as a vote for the person whose name has been written in for that office whether or not the voter has made any mark to the left of the name inserted. Striking out, marking through, or crossing out the name printed above the write-in shall not affect the validity of the write-in, nor shall it serve to invalidate the ballot or the vote for the particular office.
c. If the voter has marked the party circle above the column in which he has entered the write-in, the following instructions apply:
1. If the voter has made no mark to the left of the name written in, his ballot shall be counted as a vote for the person whose name has been inserted and for all other nominees of the party in whose circle he has marked except the one beneath whose printed name the voter has made the write-in: Provided, however, if the person whose name has been written in appears on the ballot as the nominee of a different political party for any office, the write-in shall be ignored, and the ballot shall be counted as a vote for all the nominees of the party in whose circle the voter has marked.
2. If the voter has made a mark to the left of a name written in, his write-in shall be ignored, and his ballot shall be counted as a vote for all the nominees of the party in whose circle the voter has marked.
d. If the voter has marked the party circle at the top of one column on the ballot and has made a write-in under a name printed in a different column, the write-in shall be ignored, and his ballot shall be counted as a vote for all the nominees of the party in whose circle he has marked.
(7), (8) Repealed by Session Laws 1973, c. 793, s. 68. (1929, c. 164, s. 28; 1931, c. 254, s. 15; 1933, c. 165, ss. 8, 23; 1939, c. 116, s. 2; 1947, c. 505, s. 10; 1955, c. 812, s. 2; c. 891; c. 1104, ss. 1-2½; 1957, cc. 344, 440, 589, 647, 737, 1383; 1959, cc. 105, 604, 610, 888; c. 1203, s. 9; 1961, cc. 451, 487; 1963, cc. 154, 167, 376, 389, 390, 567, 774; 1965, cc. 119, 154, 547, 727; c. 1117, s. 3; 1967, c. 775, s. 1; 1973, c. 793, s. 68.)

Effect of Voting for Too Many Candidates. — The statute does not contemplate throwing out the whole ballot for voting one ticket for too many candidates, its language distinguishing between the ballot and the ticket, of several of which (each office voted for being a separate ticket on the same ballot) the ballot is made up. Hence a ballot for one claiming the office of register of deeds, thrown out because containing two unmarked names, instead of one, for the office of recorder of the county, was improperly rejected as a vote for register, the elector's

choice for such office being properly indicated. Bray v. Baxter, 171 N.C. 6, 86 S.E. 163 (1915).

A ballot the only defect of which was that it contained unmarked names of four persons for the office of county commissioner, while only three commissioners were to be elected, was improperly rejected. Bray v. Baxter, 171 N.C. 6, 86 S.E. 163 (1915).

Two Candidates with Same Name — Evidence of Identification. — If there be two candidates for different offices having the same name, and a ticket be found in the ballot box having that name and no other on it, it may be proved by extrinsic evidence for which of the candidates it was given. Wilson v. Peterson, 69 N.C. 113 (1873).

§ 163-171. Preservation of ballots; locking and sealing ballot boxes; signing certificates. — When the precinct count is completed after a primary or election, all ballots shall be put back in the ballot boxes from which they were taken, and the registrar and judges shall promptly lock and place a seal around the top of each ballot box, so that no ballot may be taken from or put in it. The registrar and judges shall then sign the seal on each ballot box.

Ballot boxes in which ballots have been placed and which have been locked and sealed as required by the preceding paragraph shall remain in the safe custody of the registrar, subject to the orders of the chairman of the county board of elections as to their disposition. No ballot box shall be opened except upon the written order of the county board of elections or upon a proper order of court.

Ballots cast in a primary or general election shall be preserved for at least two months after the primary or general election in which voted.

On each precinct return form there shall be printed a statement to be signed by the registrar and judges certifying that, after the precinct count was completed, each ballot box was properly locked, sealed, and the seals signed, as prescribed in this section, before the precinct officials left the voting place on the night of the primary or election.

Willful failure to securely lock, seal, and sign the seal on each ballot box on the night of any primary or election, and willful failure to sign the certificate on the duplicate return forms certifying that this was done, shall constitute a misdemeanor. (1915, c. 101, s. 21; 1917, c. 179, s. 1; c. 218; C. S., s. 6041; 1923, c. 111, s. 15; 1959, c. 1203, s. 2; 1967, c. 775, s. 1.)

§ 163-172. State Board of Elections to prepare and distribute abstract forms; printing by counties. — The State Board of Elections shall prepare and print appropriate abstract of returns forms and, at least 30 days before the time for holding any primary or election, send copies of them to the chairman of the county board of elections and clerk of superior court of each county. At the same time, the State Board of Elections shall furnish directions for completing, certifying, signing, and transmitting abstracts of returns to the State Board of Elections and Secretary of State as required by this Chapter after each primary and election.

Provided, that the State Board of Elections, in its discretion, may direct some or all counties to print the abstracts and precinct return forms as designed by the State Board and required for any primary or election. If the State Board prints and distributes the abstracts and precinct return forms required for any primary or election, at the expense of the State, the State Board shall have the authority to negotiate for the abstracts and precinct return forms to be printed and distributed on a regional or centralized basis, and the State Board shall be exempt from securing competitive bids for printing and distribution. (1967, c. 775, s. 1; 1975, c. 844, s. 6.)

Editor's Note. — The 1975 amendment added the second paragraph.

§ 163-173. How precinct returns are to be made. — In each precinct, when the results of the counting of the ballots have been ascertained they shall be recorded in original and duplicate statements to be prepared, signed, and certified to by the registrar and judges on forms provided by the county board of elections.

One of the statements of the voting in the precincts shall be placed in a sealed envelope and delivered to the registrar or a judge selected by the precinct officials for the purpose of delivery to the county board of elections at its meeting on the second day after the primary or election. The other copy of the statement shall be mailed immediately to the chairman of the county board of elections by one of the other two precinct election officials.

Any registrar or judge appointed to deliver the certified precinct returns who shall fail to deliver them to the county board of elections by 12:00 noon, on the day the board meets to canvass the returns shall be guilty of a misdemeanor, unless the failure resulted from illness or other good cause. (1933, c. 165, s. 8; 1967, c. 775, s. 1.)

Returns Admissible as Substantive Evidence. — See State v. Ponder, 234 N.C. 294, 67 S.E.2d 292 (1951).

§ 163-174. Registration and pollbooks to be returned to chairman of county board of elections. — On the day of the county canvass following each primary and election, the registrar (or judge appointed to bring in the precinct returns) shall deliver the precinct registration book or records and the pollbook to the chairman of the county board of elections. (1933, c. 165, s. 8; 1967, c. 775, s. 1.)

§ 163-175. County board of elections to canvass returns and declare results. — On the second day (Sunday excepted) next after every primary and election, the county board of elections shall meet at 11:00 A.M., at the county courthouse, for the purpose of canvassing the votes cast in the county and preparing the county abstracts. If the returns from any precinct have not been received by the county board by 12:00 noon, on that day, or if the returns of any precinct are incomplete or defective, the board shall have authority to dispatch a peace officer to the residences of the election officials of the delinquent precinct for the purpose of securing proper returns for that precinct.

In the presence of such persons as choose to attend, the members of the county board of elections shall open the precinct returns, canvass and judicially determine the results of the voting in the county, and prepare and sign duplicate abstracts showing:

(1) In a primary, the total number of votes cast in each precinct and in the county for each candidate of each political party for each office.

(2) In an election, the number of legal votes cast in each precinct for each candidate, the name of each person voted for, the political party with which he is affiliated, and the total number of votes cast in the county for each person for each different office.

In complying with the provisions of this section, the county board of elections shall have power and authority to judicially pass upon all facts relative to the primary or election, to make or order such recounts as it deems necessary, and to judicially determine the result of the primary or election. The board shall also have power to send for papers and persons and to examine them, and to pass upon the legality of any disputed ballots transmitted to it by any precinct election official.

When, on account of errors in tabulating returns and filling out abstracts, the result of a primary or election in any one or more precincts cannot be accurately

known, the county board of elections shall be allowed access to the ballot boxes in such precincts to make or order a recount and to declare the result.

When the county board of elections has judicially determined the result of the primary or election, the chairman of the board shall proclaim the result at the courthouse door, stating the number of votes cast in the county for each candidate for each office. (1915, c. 101, s. 27; 1917, c. 218; C. S., s. 6048; 1933, c. 165, s. 8; 1957, c. 1263; 1966, Ex. Sess., c. 5, s. 4; 1967, c. 775, s. 1.)

Local Modification to Former § 163-143. — Brunswick: 1951, c. 462; Halifax: 1951, c. 462.

County Board of Elections Canvasses Primary Returns for County Offices. — A county board of elections is the proper agency to canvass the returns in a primary for the selection of party nominees for county offices as well as in a general election to fill such offices. Ponder v. Joslin, 262 N.C. 496, 138 S.E.2d 143 (1964).

Judicial Powers of County Board. — The county board of canvassers (now the county board of elections) are vested with statutory authority to judicially pass upon all facts relative to the election and to judicially determine and declare the results, and with the exercise of this discretion the courts will not interfere, except in an action to try title to the office by quo warranto. However, since by the federal Constitution, Art. I, § 5, power is given to both houses of Congress to pass upon the election of members, an action in the nature of quo warranto cannot be brought to determine which candidate was elected to Congress. Britt v. Board of Canvassers, 172 N.C. 797, 90 S.E. 1005 (1916).

The returns made by the precinct officials constitute but a preliminary step in ascertaining the results of an election, and such returns must be canvassed and declared by the board of canvassers (now the board of elections) as an essential part of the election machinery. State v. Proctor, 221 N.C. 161, 19 S.E.2d 234 (1942).

Correction of Tabulations by Registrar and Judges of Election. — In a primary for county officers the registrar and judges of election may correct their tabulation of the results to the county board of elections before the latter has judicially determined the results; the duties of the latter board being continuous, under the provisions of the statute, and such powers not being functus officio until they have finally determined the results of the election. Bell v. County Bd. of Elections, 188 N.C. 311, 124 S.E. 311 (1924).

Supplementary Returns after Adjournments of Registrar and Judges. — Additional or supplemental returns made up by the county board of canvassers (now the county board of elections) after the registrar and poll holders (now the registrar and judges) had fully performed their duties and adjourned, and without calling them together for reconsideration as a body, should not be given effect by the courts. Britt v. Board of Canvassers, 172 N.C. 797, 90 S.E. 1005 (1916).

Access to Ballot Boxes. — Former § 163-143, similar to the next-to-last paragraph of this section, applied only "when, on account of errors in tabulating returns or filling out blanks," the result of the election could not be accurately known, and conferred no authority on the courts to investigate and pass upon the methods or manner in which the primary might have been conducted. Brown v. Costen, 176 N.C. 63, 96 S.E. 659 (1918).

Result as Declared by Board Prima Facie Correct. — In proceedings in the nature of a quo warranto, to determine the respective rights of the parties contesting for an office, the result of the election, as declared by the county board of canvassers (now the county board of elections), must be taken as prima facie correct. State ex rel. Robertson v. Jackson, 183 N.C. 695, 110 S.E. 593 (1922).

The finding by the board of canvassers (now the county board of elections) as to the number of votes received by a contestant in an election is prima facie correct. State ex rel. Jones v. Flynt, 159 N.C. 87, 74 S.E. 817 (1912).

There is a final and conclusive presumption in favor of the correctness of the result of an election as declared by the proper officials, until the issues raised by the pleadings have been tried and disposed of before the jury. Wallace v. Salisbury, 147 N.C 58, 60 S.E. 713 (1908).

Decisions of Board Subject to Collateral Attack. — The decisions or judgments of the county board of canvassers (now the county board of elections) are not of such conclusiveness or finality as to exclude collateral attack, and the use of the word "judicially" in the statute does not affect the construction. State ex rel. Barnett v. Midgett, 151 N.C. 1, 65 S.E. 441 (1909).

The correctness of the result of the election of a clerk of the superior court, determined and declared by the county board of canvassers (now the county board of elections), can be investigated, passed upon and determined in a civil action in the nature of a quo warranto, and such is the proper remedy. State ex rel. Barnett v. Midgett, 151 N.C. 1, 65 S.E. 441 (1909).

Jurisdiction of Superior Court for Quo Warranto Not Ousted. — The act of the county canvassers (now the county board of elections) in declaring the result of an election to public office cannot have the effect of ousting the

jurisdiction of the superior court in quo warranto or information in the nature thereof. Harkrader v. Lawrence, 190 N.C. 441, 130 S.E. 35 (1925).

Mandamus to Reconvene Board. — As to whether a board of canvassers (now county board of elections) can be compelled by mandamus to reconvene after its final adjournment, quaere, semble, it can be done theretofore only for the purpose of requiring it to complete its labors, but not to reconsider its action. Britt v. Board of Canvassers, 172 N.C. 797, 90 S.E. 1005 (1916).

Mandamus by Candidate. — Where the county board of elections has assumed to pass upon the qualifications of the electors voting in a primary for the selection of a party candidate for a county office, and in so doing has declared certain of the electors disqualified, and has accordingly changed its returns and declared the one appearing to have received a smaller vote, the choice of the party as a candidate, an action will lie by the one appearing to have received the larger vote, against the county board, to compel them, by mandamus, to tabulate the returns made by the registrars and judges of the precinct, and then to publish and declare the same as the result of the election. Rowland v. Board of Elections, 184 N.C. 78, 113 S.E. 629 (1922).

Recounts. — Where a candidate in a primary election, prior to the time fixed for the county board of elections to canvass the returns, suggests errors in tabulating ballots in certain precincts because persons not legally qualified acted as counters and tabulators, but makes no assertion that any person voted who was not entitled to vote or that any qualified elector was prevented from voting, and files a written request for recount, the county board has authority, in the exercise of its judgment and discretion in good faith, to order and conduct a recount of the ballots cast and to certify the candidate having the majority of the votes as ascertained by such recount as the nominee of the party, notwithstanding that the returns of the precinct officials are regular upon their face. Strickland v. Hill, 253 N.C. 198, 116 S.E.2d 463 (1960).

§ 163-176. Preparation of original abstracts; where filed. — When the county canvass has been completed, the county board of elections shall record the results determined in accordance with G.S. 163-175 on duplicate abstract forms furnished by the State Board of Elections.

Each abstract shall be prepared to show the total number of votes cast for each constitutional amendment and proposition and for each candidate of each political party for each office in each precinct and in the entire county.

When the original and two duplicate abstracts have been prepared, the members of the county board of elections shall sign an affidavit on each, stating that it is true and correct.

Each of the original abstracts, together with the original precinct returns, shall be filed by the county board of elections with the clerk of superior court to be recorded in the permanent file in his office. (1933, c. 165, s. 8; 1967, c. 775, s. 1; 1969, c. 971, s. 1.)

Editor's Note. — The 1969 amendment inserted "two" near the beginning of the third paragraph.

Abstract Admissible as Substantive Evidence. — See State v. Ponder, 234 N.C. 294, 67 S.E.2d 292 (1951).

§ 163-177. Disposition of duplicate abstracts. — Within six hours after the returns of a primary or election have been canvassed and the results judicially determined, the chairman of the county board of elections shall mail, or otherwise deliver, to the State Board of Elections the duplicate-original abstracts prepared in accordance with G.S. 163-176 for all offices and referenda for which the State Board of Elections is required to canvass the votes and declare the results including:

President and Vice-President of the United States
Governor, Lieutenant Governor, and all other State executive officers
United States Senators
Members of the House of Representatives of the United States Congress
Justices, Judges, and District Attorneys of the General Court of Justice
State Senators in multi-county senatorial districts

Members of the State House of Representatives in multi-county representative districts

Constitutional amendments and other propositions submitted to the voters of the State.

One duplicate abstract prepared in accordance with G.S. 163-176 for all offices and referenda for which the county board of elections is required to canvass the votes and declare the results (and which are listed below) shall be retained by the county board, which shall forthwith publish and declare the results; the second duplicate abstract shall be mailed to the chairman of the State Board of Elections, to the end that there be one set of all primary and election returns available at the seat of government.

All county offices

All township offices

State Senators in single-county senatorial districts

Members of the State House of Representatives in single-county representative districts

Propositions submitted to the voters of one county.

If the chairman of the county board of elections fails or neglects to transmit duplicate abstracts to the chairman of the State Board of Elections within the time prescribed in this section, he shall be guilty of a misdemeanor and subject to a fine of one thousand dollars ($1,000): Provided, that the penalty shall not apply if the chairman was prevented from performing the prescribed duty because of sickness or other unavoidable delay, but the burden of proof shall be on the chairman to show that his failure to perform was due to sickness or unavoidable delay. (1933, c. 165, s. 8; 1966, Ex. Sess., c. 5, s. 3; 1967, c. 775, s. 1; 1969, c. 44, s. 86; c. 971, s. 2; 1973, c. 47, s. 2; c. 793, s. 69; 1975, c. 844, s. 7.)

Editor's Note. — The 1975 amendment substituted "six hours" for "24 hours" near the beginning of the first paragraph and substituted "mail, or otherwise deliver, to the State Board of Elections the duplicate-original abstracts" for "mail to the chairman of the State Board of Elections the duplicate abstracts" in that paragraph.

§ 163-177.1. Responsibility of chairman. — The chairman of the county board of elections shall be responsible for prompt delivery of the abstracts required in G.S. 163-177 to the State Board of Elections. If the chairman of the county board of elections is notified by the State Board, by telephone or otherwise, that the abstracts from his county have not been received and therefore the State canvass cannot proceed, then the chairman of the county board shall deliver immediately, or have delivered, the office copy of all abstracts due.

The North Carolina State Highway Patrol, in cooperation with the State Board of Elections and county boards of elections, may, upon request, be responsible for the delivery of the abstracts from each county to the office of the State Board of Elections. (1975, c. 844, s. 8.)

§ 163-178. Clerk of superior court to send statement of votes to Secretary of State. — In a general election, the clerk of the superior court shall, within two days after the original abstracts are filed in his office by the county board of elections, certify under his official seal to the Secretary of State, upon forms furnished him by the State Board of Elections for that purpose, a statement of the votes cast in his county for all national, State, and district offices, and for and against constitutional amendments and propositions submitted to the people. At the same time, the clerk of superior court shall also certify under his official seal to the Secretary of State a list of all the persons voted for in his county as members of the State Senate and House of Representatives and all county offices, together with the votes cast for each and their post office addresses.

If the clerk of superior court fails or neglects to transmit these returns to the Secretary of State within the time specified in this section, he shall be guilty of a misdemeanor and subject to a fine of five hundred dollars ($500.00): Provided, that the penalty shall not apply when the clerk was prevented from performing his duties because of sickness or other unavoidable delay, but the burden of proof shall be on the clerk to show that his failure to perform his duties was due to sickness or unavoidable delay.

The provisions of this section, unless changed by general rules promulgated by the State Board of Elections, shall also apply to primary elections. (1933, c. 165, s. 8; 1967, c. 775, s. 1.)

§ 163-179. Who declared elected by county board. — In a general election, the person having the greatest number of legal votes for a county office or for membership in one of the houses of the General Assembly in a representative or senatorial district composed of only one county shall be declared elected by the county board of elections. If two or more candidates for a county office, having the greatest number of votes, shall have an equal number, the county board of elections shall determine by lot which shall be elected. If two or more candidates for membership in one of the houses of the General Assembly in a representative or senatorial district composed of only one county, having the greatest number of votes, shall have an equal number, the determination of which of the candidates is elected shall be governed by the provisions of G.S. 163-191. (1933, c. 165, s. 8; 1957, c. 1263; 1966, Ex. Sess., c. 5, s. 4; 1967, c. 775, s. 1; 1973, c. 793, s. 70.)

§ 163-180. Chairman of county board of elections to furnish certificate of election. — Not earlier than five days nor later than 10 days after the results of an election have been officially determined and published in accordance with G. S. 163-175 and G.S. 163-179, the chairman of the county board of elections shall furnish to each of the following persons appropriate certificates of election under his hand and seal: County officers, township officers, and persons elected to membership in the General Assembly in representative and senatorial districts composed of only one county. He shall also immediately notify all persons elected to county officers to meet at the courthouse on the first Monday in the ensuing December to be qualified.

In issuing certificates of election under this section, the chairman of the county board of elections shall be restricted by the provisions of G.S. 163-181. (1933, c. 165, s. 8; 1947, c. 505, s. 4; 1955, c. 871, s. 5; 1959, c. 1203, s. 3; 1966, Ex. Sess., c. 5, s. 5; 1967, c. 775, s. 1.)

Conclusiveness of Adjudication of Board and Certificate of Election. — The adjudication of the board and the resultant certificate of election constitute conclusive evidence of the certificate holder's right to the office in every proceeding except a direct proceeding under § 1-514 et seq. to try the title to the office. State v. Ponder, 234 N.C. 294, 67 S.E.2d 292 (1951).

§ 163-181. When election contest stays certification of election. — (a) If an election contest is properly pending before a county board of elections or on appeal from a county board to the State Board of Elections, after a general election, the chairman of the county board of elections shall not issue a certificate of election for the office in controversy until the contest has been finally decided by the county or State Board of Elections.

(b) No election protest shall be filed by a candidate involved in a county, district or statewide primary election with the county or State Board of Elections. The candidate shall file his protest with the Superior Court of Wake County with respect to a statewide primary election, and with the superior court of the county of the candidate's residence in other primary elections, not later than five days after the board of elections certifies the nominee for the office

involved in the protest. Filing of the protest shall not stay the certification of the nominee by the board of elections. A resident superior court judge or a superior court judge then presiding in the county shall immediately hear the protest without a jury. If the court finds that the nominee certified by the Board of Elections should not be certified, the court shall issue an order directing the county or State Board of Elections what action should be taken. (1933, c. 165, s. 8; 1947, c. 505, s. 4; 1955, c. 871, s. 5; 1959, c. 1203, s. 3; 1966, Ex. Sess., c. 5, s. 5; 1967, c. 775, s. 1; 1975, c. 844, s. 9.)

Editor's Note. — The 1975 amendment substituted "after a general election" for "after either a primary or election," deleted "in the case of an election" preceding "issue a certificate" and deleted "or in the case of a primary, certify the nominee" preceding "for the office in controversy" in the first paragraph, designated that paragraph as subsection (a) and added subsection (b).

§§ 163-182 to 163-186: Reserved for future codification purposes.

ARTICLE 16.

Canvass of Returns for Higher Offices and Preparation of State Abstracts.

§ 163-187. State Board of Elections to canvass returns for higher offices. — In addition to the other powers and duties assigned it by this Chapter, the State Board of Elections shall constitute the State's legal canvassing board in both primaries and elections for all national, State, and district offices (including the offices of State Senator and member of the State House of Representatives in those senatorial and representative districts consisting of more than one county).

No member of the State Board of Elections shall take part in canvassing the votes for any office for which he himself is a candidate. (1933, c. 165, s. 9; 1966, Ex. Sess., c. 5, s. 6; 1967, c. 775, s. 1.)

Supervisory Powers of Board. — The State Board of Elections has general supervision over the primaries and elections in the State, with authority to promulgate legally consistent rules and regulations for their conduct, and to compel the observance of the election laws by county boards of elections, and the duty of the State Board to canvass returns and declare the count does not affect its supervisory power, which perforce must be exercised prior to the final acceptance of the returns made by the county boards. Burgin v. North Carolina State Bd. of Elections, 214 N.C. 140, 198 S.E. 592 (1938).

The fact that, after the returns are in, the State Board of Elections is to canvass the returns and determine whom they ascertain and declare by the count to be nominated or elected is not to be construed as a denial or negation of its supervisory powers, which perforce are to be exercised prior to the final acceptance of the several returns. Ponder v. Joslin, 262 N.C. 496, 138 S.E.2d 143 (1964).

State, Not County, Board Canvasses Primary Returns in Multi-County Senatorial District. — The State Board of Elections is the appropriate agency to canvass and judicially declare the results of a primary for the nomination of a candidate in a senatorial district composed of more than one county. Ponder v. Joslin, 262 N.C. 496, 138 S.E.2d 143 (1964).

A county board of elections in a multiple county senatorial district has no power to canvass the primary election returns and determine judicially the nominee in such district; that power is vested exclusively in the State Board of Elections. Ponder v. Joslin, 262 N.C. 496, 138 S.E.2d 143 (1964).

Control of Powers by Courts. — The courts will not undertake to control the State Board in the exercise of its duty of general supervision so long as such supervision conforms to the rudiments of fair play and the statutes on the subject. Ponder v. Joslin, 262 N.C. 496, 138 S.E.2d 143 (1964).

When the State Board of Elections obtains jurisdiction of an election protest upon an appeal from a single county in a multiple county senatorial district, or by the filing in apt time of a protest directly with the State Board of Elections, its decision can only be reviewed in the manner prescribed by § 143-306 et seq. Ponder v. Joslin, 262 N.C. 496, 138 S.E.2d 143 (1964).

§ 163-188. Meeting of State Board of Elections to canvass returns of primary and election. — Following each primary and election held in this State under the provisions of this Chapter, the State Board of Elections shall meet in the Hall of the House of Representatives in the City of Raleigh to canvass the votes cast in all the counties of the State for all national, State, and district offices, to determine by the count who is nominated or elected to the respective offices, and to declare the results and prepare abstracts as required by G.S. 163-192. The time and date of the general election canvass shall be 11:00 A.M., on the Tuesday following the third Monday after the general election. The time and date of the primary canvass shall be fixed by the State Board, but in no event shall the canvass be later than the eighth day after the primary election and the State Board shall accept and record the totals reflected on the abstracts received from the counties and it shall be the responsibility of each county to accurately record the correct totals for each office.

At the meeting required by the preceding paragraph, if the abstracts of returns have not been received from all of the counties, the Board may adjourn for not more than 10 days for the purpose of securing the missing abstracts. In obtaining them, the Board is authorized to secure the originals or copies from the appropriate clerks of superior court or county boards of elections, at the expense of the counties. The State Board of Elections is authorized to enforce the penalties provided in G.S. 163-177 and 163-178 for failure of a county elections board chairman or clerk of superior court to comply with the provisions of this Chapter in making returns of a primary or election.

At the meeting required by the first paragraph of this section (or at any adjourned session thereof), the State Board of Elections shall examine the county abstracts when they have all been received and shall proceed with the canvass publicly. (1933, c. 165, s. 9; 1967, c. 775, s. 1; 1975, c. 844, s. 10.)

Editor's Note. — The 1975 amendment rewrote the last sentence of the first paragraph.

§ 163-189. Meeting of State Board of Elections to canvass returns of a special election for United States Senator or Representative. — If a special election is ordered by the Governor to fill a vacancy in the State's representation in the United States Senate or House of Representatives as provided for in G.S. 163-12 or G.S. 163-13, the State Board of Elections may meet for the purposes prescribed in G.S. 163-188 as soon as its chairman shall have received abstracts of returns from all of the counties entitled to vote in the special election. The chairman of the State Board shall fix the day of the meeting not later than 10 days after the special election, and county boards of elections shall transmit their abstracts of returns to the State Board in sufficient time to be available for the State canvass. (1933, c. 165, s. 9; 1967, c. 775, s. 1.)

§ 163-190. State Board of Elections may refer to ballot boxes to resolve doubts. — When, on account of errors in tabulating returns and filling out abstracts, the result of a primary or election in any precinct, county, district, or the State cannot be accurately known, the State Board of Elections shall be allowed access to the ballot boxes to make or order a recount and to declare the results. (1915, c. 101, s. 27; 1917, c. 218; C. S., s. 6048; 1967, c. 775, s. 1.)

§ 163-191. Contested primaries and elections; how tie broken. — In a primary for party nomination for one or more of the offices to be canvassed by the State Board of Elections under the provisions of G.S. 163-187, the results shall be determined in accordance with the provisions of G.S. 163-111.

In a general election for one or more of the offices to be canvassed by the State Board of Elections under the provisions of G.S. 163-187, the persons having the highest number of votes for each office, respectively, shall be declared duly

elected to that office by the State Board of Elections. But if two or more be equal and highest in votes for the office, then the State Board of Elections shall order a new election for the purpose of breaking the tie vote. (1901, c. 89, s. 44; Rev., s. 4363; 1915, c. 121, s. 1; C. S., s. 5999; 1927, c. 260, s. 14; 1933, c. 165, s. 10; 1967, c. 775, s. 1; 1971, c. 219, ss. 1, 2.)

§ 163-192. State Board of Elections to prepare abstracts and declare results of primaries and elections. — (a) After Primary. — At the conclusion of its canvass of the primary election, the State Board of Elections shall prepare separate abstracts of the votes cast:

(1) For Governor and all State officers, justices of the Supreme Court, judges of the Court of Appeals, judges of the superior court, and United States Senators.
(2) For members of the United States House of Representatives for the several congressional districts in the State.
(3) For district court judges for the several judicial districts in the State.
(4) For solicitor in the several solicitorial districts in the State.
(5) For State Senators in the several senatorial districts in the State composed of more than one county.
(6) For members of the State House of Representatives in the several representative districts in the State composed of more than one county.

Abstracts prepared by the State Board of Elections under this subsection shall state the total number of votes cast for each candidate of each political party for each of the various offices canvassed by the State Board of Elections. They shall also state the name or names of the person or persons whom the State Board of Elections shall ascertain and judicially determine by the count to be nominated for each office.

Abstracts prepared under this subsection shall be signed by the members of the State Board of Elections in their official capacity and shall have the great seal of the State affixed thereto.

(b) After General Election. — At the conclusion of its canvass of the general election, the State Board of Elections shall prepare abstracts of the votes cast:

(1) For President and Vice-President of the United States, when an election is held for those offices.
(2) For Governor and all State officers, justices of the Supreme Court, judges of the Court of Appeals, judges of the superior court, and United States Senators.
(3) For members of the United States House of Representatives for the several congressional districts in the State.
(4) For district court judges for the several judicial districts in the State.
(5) For solicitor in the several solicitorial districts in the State.
(6) For State Senators in the several senatorial districts in the State composed of more than one county.
(7) For members of the State House of Representatives in the several representative districts in the State composed of more than one county.
(8) For and against any constitutional amendments or propositions submitted to the people.

Abstracts prepared by the State Board of Elections under this subsection shall state the names of all persons voted for, the office for which each received votes, and the number of legal ballots cast for each candidate for each office canvassed by the State Board of Elections. They shall also state the name or names of the person or persons whom the State Board of Elections shall ascertain and judicially determine by the count to be elected to each office.

Abstracts prepared under this subsection shall be signed by the members of the State Board of Elections in their official capacity and shall have the great seal of the State affixed thereto.

(c) Disposition of Abstracts of Returns. — The State Board of Elections shall

file with the Secretary of State the original abstracts of returns prepared by it under the provisions of subsections (a) and (b) of this section, and also the duplicate county abstracts transmitted to the State Board of Elections under the provisions of G.S. 163-177. (1933, c. 165, s. 9; 1966, Ex. Sess., c. 5, s. 7; 1967, c. 775, s. 1; 1969, c. 44, s. 87.)

§ 163-193. Results of election certified to Secretary of State; certificates of election. — After ascertaining and declaring the result of an election as provided in G.S. 163-192(b), the State Board of Elections shall certify the result to the Secretary of State. The Secretary of State shall then prepare and sign a certificate of election for each person elected and deliver it to him upon demand. (1933, c. 165, s. 9; 1967, c. 775, s. 1.)

§ 163-194. Governor to issue commissions to certain elected officials. — Every person duly elected to one of the offices listed below, upon obtaining a certificate of his election from the Secretary of State under the provisions of G.S. 163-193, shall procure from the Governor a commission attesting his election to the specified office, which the Governor shall issue upon production of the Secretary of State's certificate:

Members of the United States House of Representatives,

Justices, Judges, and Solicitors of the General Court of Justice. (1901, c. 89, ss. 61, 69; Rev., ss. 4370, 4377; C. S., ss. 6008, 6015; 1967, c. 775, s. 1; 1969, c. 44, s. 88.)

§ 163-195. Secretary of State to record abstracts. — The Secretary of State shall record the State, district, and county abstracts filed with him by the State Board of Elections in a book to be kept by him for that purpose. (1933, c. 165, s. 9; 1967, c. 775, s. 1.)

§§ 163-196 to 163-200: Reserved for future codification purposes.

ARTICLE 17.

Members of United States House of Representatives.

§ 163-201. Congressional districts specified. — For the purpose of nominating and electing members of the House of Representatives of the Congress of the United States in 1972 and every two years thereafter, the State of North Carolina shall be divided into 11 districts as follows:

First District: Beaufort, Bertie, Camden, Carteret, Chowan, Craven, Currituck, Dare, Gates, Greene, Hertford, Hyde, Jones, Lenoir, Martin, Pamlico, Pasquotank, Perquimans, Pitt, Tyrrell and Washington.

Second District: Caswell, Edgecombe, Franklin, Granville, Halifax, Nash, Northampton, Orange, Person, Vance, Warren and Wilson.

Third District: Bladen, Duplin, Harnett, Johnston, Lee, Onslow, Pender, Sampson and Wayne.

Fourth District: Chatham, Durham, Randolph and Wake.

Fifth District: Alleghany, Ashe, Davidson, Forsyth, Stokes, Surry and Wilkes.

Sixth District: Alamance, Guilford and Rockingham.

Seventh District: Brunswick, Columbus, Cumberland, Hoke, New Hanover and Robeson.

Eighth District: Anson, Cabarrus, Davie, Montgomery, Moore, Richmond, Rowan, Scotland, Stanly, Union and Yadkin.

Ninth District: Iredell, Lincoln and Mecklenburg.

Tenth District: Alexander, Burke, Caldwell, Catawba, Cleveland, Gaston and Watauga.

Eleventh District: Avery, Buncombe, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, McDowell, Macon, Madison, Mitchell, Polk, Rutherford,

Swain, Transylvania and Yancey. (Rev., s. 4366; 1911, c. 97; C. S., s. 6004; 1931, c. 216; 1941, c. 3; 1961, c. 864; 1966, Ex. Sess., c. 7, s. 1; 1967, c. 775, s. 1; c. 1109; 1971, c. 257.)

Constitutionality. — The act of the 1967 session of the legislature reapportioning congressional districts meets the minimum federal constitutional standards. Drum v. Seawell, 271 F. Supp. 193 (M.D.N.C. 1967).

Because the United States District Court considered the variance between the enacted legislative plan and a rejected alternative plan to be insubstantial and de minimis, and because it found that the legislature made a good faith effort to equitably reapportion, it held this section to be constitutional and not in violation of the equal protection clause of the Fourteenth Amendment. Drum v. Scott, 337 F. Supp. 588 (M.D.N.C. 1972).

Practical and Rational Equality Required. — While rigid mathematical standards are not the sine qua non of constitutional validity, practical and rational equality is required. Such equality recognizes only minor deviations which may occur in the recognition of rational and legitimate factors, free from the taint of arbitrariness, irrationality and discrimination. Drum v. Seawell, 250 F. Supp. 922 (M.D.N.C. 1966).

Stricter adherence to equality of population between districts may more logically be required in congressional than in state legislative representation. Drum v. Seawell, 250 F. Supp. 922 (M.D.N.C. 1966).

Former Apportionment Unconstitutional. — See Drum v. Seawell, 249 F. Supp. 877 (M.D.N.C. 1965), aff'd, 383 U.S. 831, 86 S. Ct. 1237, 16 L. Ed. 2d 298 (1966).

§ 163-202. Election after reapportionment of members of House of Representatives. — Whenever, by a new apportionment of members of the United States House of Representatives, the number of Representatives from North Carolina shall be changed, and neither the Congress nor the General Assembly shall provide for electing them, the following procedures shall apply:

(1) If the number of Representatives is increased, the Representative from each of the existing congressional districts shall be elected by the qualified voters of his district, and the additional Representatives apportioned to North Carolina shall be elected on a single ballot by the qualified voters of the whole State.

(2) If the number of Representatives is decreased, existing congressional district lines shall be ignored, and all Representatives apportioned to North Carolina shall be elected on a single ballot by the qualified voters of the whole State. (1901, c. 89, s. 58; Rev., s. 4368; C. S., s. 6006; 1967, c. 775, s. 1.)

§§ 163-203 to 163-207: Reserved for future codification purposes.

ARTICLE 18.

Presidential Electors.

§ 163-208. Conduct of presidential election. — Unless otherwise provided, the election of presidential electors shall be conducted and the returns made in the manner prescribed by this Chapter for the election of State officers. (1901, c. 89, s. 79; Rev., s. 4371; C. S., s. 6009; 1933, c. 165, s. 11; 1967, c. 775, s. 1.)

§ 163-209. Names of presidential electors not printed on ballots. — The names of candidates for electors of President and Vice-President nominated by any political party recognized in this State under G.S. 163-96 shall be filed with the Secretary of State but shall not be printed on the ballot. In place of their names, in accordance with the provisions of G.S. 163-140 there shall be printed on the ballot the names of the candidates for President and Vice-President of each political party recognized in this State. A vote for the candidates named on the ballot shall be a vote for the electors of the party by which those candidates were nominated and whose names have been filed with the Secretary

of State. (1901, c. 89, s. 78; Rev., s. 4372; C. S., s. 6010; 1933, c. 165, s. 11; 1949, c. 672, s. 2; 1967, c. 775, s. 1.)

§ 163-210. Governor to proclaim results; casting State's vote for President and Vice-President. — Upon receipt of the abstracts prepared by the State Board of Elections and delivered to him in accordance with G.S. 163-192, the Secretary of State, under his hand and the seal of his office, shall certify to the Governor the names of the persons elected to the office of elector for President and Vice-President of the United States as stated in the abstracts of the State Board of Elections. Thereupon, the Governor shall immediately issue a proclamation setting forth the names of the electors and instructing them to be present in the Hall of the House of Representatives in the City of Raleigh at noon on the first Monday after the second Wednesday in December next after their election, at which time the electors shall meet and vote on behalf of the State for President and Vice-President of the United States. The Governor shall cause this proclamation to be published in the daily newspapers published in the City of Raleigh.

On or before the date fixed for the meeting of the electors, the Governor shall send by registered mail to the Administrator of General Services, a certificate under the great seal of the State setting forth the names of the persons chosen as presidential electors for this State and the number of votes cast for each. At the same time he shall deliver to the electors six duplicate originals of the same certificate, each bearing the great seal of the State. At any time prior to receipt of the certificate of the Governor or within 48 hours thereafter, any person elected to the office of elector may resign by submitting his resignation, written and duly verified, to the Governor. Failure to so resign shall signify consent to serve and to cast his vote for the candidate of the political party which nominated such elector.

In case of the absence, ineligibility or resignation of any elector chosen, or if the proper number of electors shall for any cause be deficient, those present at the required meeting shall forthwith elect from the citizens of the State a sufficient number of persons to fill the deficiency, and the persons chosen shall be deemed qualified electors to vote for President and Vice-President of the United States. (1901, c. 89, s. 81; Rev., s. 4374; 1917, c. 176, s. 2; C. S., ss. 5916, 6012; 1923, c. 111, s. 12; 1927, c. 260, s. 17; 1933, c. 165, s. 11; 1935, c. 143, s. 2; 1967, c. 775, s. 1; 1969, c. 949, ss. 1, 2.)

Editor's Note. — The 1969 amendment added the third and fourth sentences of the second paragraph and substituted "ineligibility or resignation" for "or ineligibility" near the beginning of the third paragraph.

§ 163-211. Compensation of presidential electors. — Presidential electors shall be paid, for attending the meeting held in the City of Raleigh on the first Monday after the second Wednesday in December next after their election, the sum of ten dollars ($10.00) per day and traveling expenses at the rate of five cents (5¢) per mile in going to and returning home from the required meeting. (1901, c. 89, s. 84; Rev., s. 2761; C. S., s. 3878; 1933, c. 5; 1967, c. 775, s. 1.)

§ 163-212. Penalty for failure of presidential elector to attend and vote. — Any presidential elector having previously signified his consent to serve as such, who fails to attend and vote for the candidate of the political party which nominated such elector, for President and Vice-President of the United States at the time and place directed in G.S. 163-210 (except in case of sickness or other unavoidable accident) shall forfeit and pay to the State five hundred dollars ($500.00), to be recovered by the Attorney General in the Superior Court of Wake County. In addition to such forfeiture, refusal or failure to vote for the candidates of the political party which nominated such elector shall constitute

a resignation from the office of elector, his vote shall not be recorded, and the remaining electors shall forthwith fill such vacancy as hereinbefore provided. (1901, c. 89, s. 83; Rev., s. 4375; C. S., s. 6013; 1933, c. 165, s. 11; 1967, c. 775, s. 1; 1969, c. 949, s. 3.)

Editor's Note. — The 1969 amendment inserted "for the candidate of the political party which nominated such elector" in the first sentence and added the second sentence.

§ 163-213: Reserved for future codification purposes.

ARTICLE 18A.

Presidential Preference Primary Act.

§ 163-213.1. Short title. — This Article may be cited as the "Presidential Preference Primary Act." (1971, c. 225; 1975, c. 744.)

Editor's Note. — The 1975 amendment inserted "Preference."

§ 163-213.2. Presidential preference primary, date of election. — Beginning with the fourth Tuesday in March, 1976, and every four years thereafter, the voters of this State shall be given an opportunity to express their preference for the person to be the presidential candidate of their political party. (1971, c. 225; 1975, c. 744; c. 844, s. 18.)

Editor's Note. — The two 1975 amendments, which were identical, substituted "Beginning with the fourth Tuesday in March, 1976, and every four years thereafter" for "Beginning with the primary elections to be conducted in 1972 and every four years thereafter, as directed in G.S. 163-1(b)" at the beginning of the section.

§ 163-213.3. Conduct of election. — The presidential preference primary election shall be conducted and canvassed by the same authority and in the manner provided by law for the conduct and canvassing of the primary election for the office of Governor and all other offices enumerated in G.S. 163-187 and under the same provisions stipulated in G.S. 163-188. The State Board of Elections shall have authority to promulgate reasonable rules and regulations, not inconsistent with provisions contained herein, pursuant to the administration of this Article. (1971, c. 225; 1975, c. 744.)

Editor's Note. — The 1975 amendment inserted "preference" near the beginning of the section.

§ 163-213.4. Nomination by State Board of Elections. — The State Board of Elections shall convene in Raleigh on the Tuesday following the first Monday in February preceding the presidential preference primary election. At the meeting required by this section, the State Board of Elections shall nominate as presidential primary candidates all candidates affiliated with a political party, recognized pursuant to the provisions of Article 9 of Chapter 163 of the General Statutes, who have become eligible to receive payments from the Presidential Primary Matching Payment Account, as provided in section 9033 of the U.S. Internal Revenue Code of 1954, as amended. Immediately upon completion of these requirements, the Board shall release to the news media all such nominees selected. Provided, however, nothing shall prohibit the partial selection of

nominees prior to the meeting required by this section, if all provisions herein have been complied with. (1971, c. 225; 1975, c. 744.)

Editor's Note. — The 1975 amendment rewrote this section.

§ 163-213.5. Nomination by petition. — Any person seeking the endorsement by the national political party for the office of President of the United States, or any group organized in this State on behalf of, and with the consent of, such person, may file with the State Board of Elections petitions signed by 10,000 persons who, at the time they signed are registered and qualified voters in this State and are affiliated, by such registration, with the same political party as the candidate for whom the petitions are filed. Such petitions shall be presented to the county board of elections 10 days before the filing deadline and shall be certified promptly by the chairman of the board of elections of the county in which the signatures were obtained and shall be filed by the petitioners with the State Board of Elections no later than 5:00 P.M. on the date the State Board of Elections is required to meet as directed by G.S. 163-213.4.

The petitions must state the name of the candidate for nomination, along with a letter of approval signed by such candidate. Said petitions must also state the name and address of the chairman of any such group organized to circulate petitions authorized under this section. The requirement for signers of such petitions shall be the same as now required under provisions of G.S. 163-96(b)(1) and (2). The requirement of the respective chairmen of county boards of elections shall be the same as now required under the provisions of G.S. 163-96(b)(1) and (2) as they relate to the chairman of the county board of elections.

The group of petitioners shall pay to the chairman of the county board of elections a fee of ten cents (10¢) for each signature he is required to examine under the provisions of this section.

The State Board of Elections shall forthwith determine the sufficiency of petitions filed with it and shall immediately communicate its determination to the chairman of such group organized to circulate petitions. The form and style of petition shall be as prescribed by the State Board of Elections. (1971, c. 225; 1975, c. 744.)

Editor's Note. — The 1975 amendment inserted "shall be presented to the county board of elections 10 days before the filing deadline and" near the beginning of the second sentence of the first paragraph, substituted "on the date" for "on the fifteenth day following the date on which" near the end of that sentence and deleted "and verify" following "required to examine" near the end of the third paragraph.

§ 163-213.6. Notification to candidates. — The State Board of Elections shall forthwith contact each person who has been nominated by the Board or by petition and notify him in writing that, upon his written request, to be filed with the Board within 15 days of the notice to him by the Board, his name will be printed as a candidate of a specified political party on the North Carolina presidential preference primary ballot. A candidate who participates in the North Carolina presidential preference primary of a particular party shall have his name placed on the general election ballot only as a nominee of that political party. The board shall send a copy of the "Presidential Preference Primary Act" to each candidate with the notice specified above. (1971, c. 225; 1975, c. 744.)

Editor's Note. — The 1975 amendment rewrote this section.

§ 163-213.7. Voting in presidential preference primary; ballots. — The names of all candidates in the presidential preference primary shall appear at an appropriate place on the ballot or voting machine. In addition the State Board of Elections shall provide a category on the ballot or voting machine allowing voters in each political party to vote an "uncommitted" or "no preference" status. The voter shall be able to cast his ballot for one of the presidential candidates of a political party or for an "uncommitted" or "no preference" status, but shall not be permitted to vote for candidates or "uncommitted" status of a political party different from his registration. Persons registered as "Independents" or "No Party" shall not participate in the presidential preference primary except upon changing such affiliation in accordance with law. (1971, c. 225; 1975, c. 744.)

Editor's Note. — The 1975 amendment inserted "preference" near the beginning of the first sentence, deleted "with the names of the candidates for other offices of their respective parties" following "shall appear" in that sentence, added the second sentence, rewrote the third sentence, inserted "preference" in the fourth sentence and deleted the former last sentence, which read: "The State Board of Elections shall have authority, in its sole discretion, to print a separate ballot for presidential candidates or to combine it with some or all of the ballots presently authorized under the provisions of G.S. 163-109(b)."

§ 163-213.8. Political parties and delegates bound by results of primary on first ballot. — Upon completion and certification of the primary results by the State Board of Elections, the Secretary of State shall certify the results to the State chairman of each political party.

Each political party and its delegates from North Carolina shall be bound on the first ballot at the national convention by the results of the primary. Each political party at the State level shall adopt rules for the allocation of delegate votes on the first ballot which reflect the actual division of votes in the results of the party primary as much as possible, consistent with the national party rules of that political party.

After the vote on the first ballot at a national convention, all responsibility imposed by this Article shall terminate and further balloting shall be consistent with the rules of the political party.

In the event of the death or the withdrawal of a candidate prior to the first ballot, any delegate votes which would otherwise be allocated to him, shall be considered uncommitted. (1971, c. 225; 1975, c. 744.)

Editor's Note. — The 1975 amendment rewrote this section.

§ 163-213.9. National committee to be notified of provisions under this Article. — It shall be the responsibility of the State chairman of each political party, qualified under the laws of this State, to notify his party's national committee no later than January 30 of each year in which such presidential preference primary shall be conducted of the provisions contained under this Article. (1971, c. 225; 1975, c. 744.)

Editor's Note. — This section was formerly § 163-213.10. It was redesignated § 163-213.9 by Session Laws 1975, c. 744, which repealed former § 163-213.9. The 1975 act also inserted "preference" and deleted "herein relating to the automatic vote on the first ballot as required" preceding "under this Article" near the end of the present section.

§ 163-213.10: Transferred to § 163-213.9 by Session Laws 1975, c. 744.

Editor's Note. — Session Laws 1975, c. 744, redesignated former § 163-213.10 as present § 163-213.9 and repealed former § 163-213.9.

§§ 163-214 to 163-217: Reserved for future codification purposes.

ARTICLE 19.

Petitions for Elections and Referenda.

§ 163-218. Registration of notice of circulation of petition. — From and after July 1, 1957, notice of circulation of a petition calling for any election or referendum shall be registered with the county board of elections with which the petition is to be filed, and the date of registration of the notice shall be the date of issuance and commencement of circulation of the petition. (1957, c. 1239, s. 1; 1967, c. 775, s. 1.)

§ 163-219. Petition void after one year from registration. — Petitions calling for elections and referenda shall be and become void and of no further effect one year after the date the notice of circulation is registered with the county board of elections with which it is required to be filed; and notwithstanding any public, special, local, or private act to the contrary, no election or referendum shall thereafter be called or held pursuant to or based upon any such void petition. (1957, c. 1239, s. 2; 1967, c. 775, s. 1.)

§ 163-220. Limitation on petitions circulated prior to July 1, 1957. — Petitions calling for elections or referenda which were circulated prior to July 1, 1957, shall be and become void and of no further force and effect one year after the date of issuance of such petitions for circulation; and notwithstanding any public, special, local, or private act to the contrary, no election or referendum shall be called or held pursuant to or based upon any such void petition from and after July 1, 1957. (1957, c. 1239, s. 3; 1967, c. 775, s. 1.)

§§ 163-221 to 163-225: Reserved for future codification purposes.

SUBCHAPTER VII. ABSENTEE VOTING.

ARTICLE 20.

Absentee Ballot.

§ 163-226. Who may vote an absentee ballot. — (a) Any qualified voter of the State, whether or not in the armed forces of the United States, may vote by absentee ballot in a statewide primary or general election in the manner provided in this Article if:

(1) He expects to be absent from the county in which he is registered during the entire period that the polls are open on the day of the statewide primary or general election in which he desires to vote; or

(2) He is unable to be present at the voting place to vote in person on the day of the statewide primary or general election in which he desires to vote because of his sickness or other physical disability.

(b) Any qualified voter of a county who is qualified to vote by absentee ballot under this section in a statewide primary or general election is authorized to vote by absentee ballot in any county bond election in accordance with the provisions of this Article.

(c) Any qualified voter who has been convicted of a misdemeanor and who is incarcerated, whether in his county of residence or elsewhere, shall be entitled to vote by absentee ballot in the county of his residence in any election in which

he otherwise would be entitled to vote under the provisions of subsections (a) and (b), above. Absentee voting shall be in the same manner as provided in this Article. The chief custodian or superintendent of the institution or other place of confinement shall certify that the applicant is a misdemeanant, and the certification shall be as prescribed by the State Board of Elections. The State Board of Elections is authorized to adopt and promulgate rules and regulations to carry out the intent and purpose of this subsection.

(d) A qualified voter may vote by absentee ballot in a statewide primary of his political party only if, at the time he makes application for absentee ballots for that primary, he is affiliated with that political party. The official registration records of the county in which the voter is registered shall be proof of whether he is affiliated with a political party and of the party, if any, with which he is affiliated.

(e) Any qualified voter of the State, qualified to vote an absentee ballot under this section, may vote an absentee ballot in any statewide election on constitutional amendments, referenda or other propositions or issues except statewide bond issues submitted to the people. (1939, c. 159, s. 1; 1963, c. 457, s. 1; 1967, c. 775, s. 1; c. 952, s. 1; 1973, c. 536, s. 1; c. 1018.)

Local Modification to Former §§ 163-54 to 163-69.1. — Graham: 1959, c. 780, s. 1; Sampson: 1941, c. 167; 1963, c. 882.

Local Modification to Former § 163-54. — Jackson: 1939, c. 309.

Editor's Note. — As to abuses under prior law and respects in which this enactment seeks to remedy those evils, see 17 N.C.L. Rev. 355.

Effect of Mistake or Misconduct of Election Officials. — Persons in all respects qualified to cast absentee ballots will not be disfranchised for the mistake or even willful misconduct of election officials in performing their duties when the mistake or misconduct does not amount to coercion, fraud or imposition and it appears that the ballots expressed only the free choices of the electors themselves. State ex rel. Owens v. Chaplin, 228 N.C. 705, 47 S.E.2d 12 (1948).

Under Former Law. — For cases decided under the former law, see Jenkins v. State Bd. of Elections, 180 N.C. 169, 104 S.E. 346 (1920), holding law valid; Davis v. County Bd. of Educ., 186 N.C. 227, 119 S.E. 372 (1923), holding provision requiring certificate or affidavit to be mandatory; State ex rel. Robertson v. Jackson, 183 N.C. 695, 110 S.E. 593 (1922), holding that persons within county were not entitled to vote as absentees; Bouldin v. Davis, 200 N.C. 24, 156 S.E. 103 (1930), holding that jurat was prima facie evidence only that ballots had been sworn to; Phillips v. Slaughter, 209 N.C. 543, 183 S.E. 897 (1936), holding law applicable to municipal elections.

The provision of the former law that election laws be construed in favor of the right to vote was held not to apply when the elector desires to avail himself of a special privilege and does not, of his own volition, comply with the conditions precedent prescribed by the statute, which gives him the right to do so. Davis v. County Bd. of Educ., 186 N.C. 227, 119 S.E. 372 (1923).

Cited in Hall v. Wake County Bd. of Elections, 280 N.C. 600, 187 S.E.2d 52 (1972).

§ 163-227. Application for absentee ballot; forms of application. — A voter falling in either of the categories defined in G.S. 163-226 may apply for absentee ballots not earlier than 30 days prior to the statewide primary or general election or county bond election in which he seeks to vote and not later than 6:00 P.M. on the Wednesday before that election. Subject to the provisions of G.S. 163-227.2 and except as provided in the following paragraph, the voter or a near relative shall apply for absentee ballots under the provisions of subdivision (1) or subdivision (2) of this section.

If a voter unexpectedly becomes ill or physically disabled to the extent defined in G.S. 163-226 after 6:00 P.M. on the Wednesday before the primary or general election and before 10:00 A.M. on the day before the election, he or a near relative may apply for absentee ballots under the provisions of subdivision (3) of this section.

(1) Expected Absence from County on Election Day. — A voter expecting to be absent from the county in which registered during the entire period that the polls will be open on primary or general election day,

or a near relative, shall make written application for absentee ballots to the chairman of the board of elections of the county in which the voter is registered not earlier than 30 days nor later than 6:00 P.M. on the Wednesday before the election. The application shall be submitted in the form set out at the end of this subdivision upon a copy which shall be furnished the voter or a near relative by the chairman of the county board of elections.

The applicant shall sign his application personally, or it shall be signed by a near relative. The application shall be signed in the presence of a witness, who shall sign his name in the place provided on the form. The application form when properly filled out shall be transmitted by mail or delivered in person by the applicant or a near relative to the chairman or the executive secretary of the county board of elections.

The form for use in applying for absentee ballots under this subdivision shall be as follows:

Application for Ballots by Voter Who Expects to
Be Absent from County in Which Registered
on Primary or General
Election Day.

(Anyone who falsifies this statement is subject to a
fine or imprisonment, or both.)

Application No. . . . . issued to . . . . . .
(This line shall be filled out before application is issued.)

State of . . . . . .

County of . . . . . .

I, ... , certify that I am a registered voter residing in . . . . . precinct, ... township, in the County of . . . . . , North Carolina, and that I am lawfully entitled to vote in that precinct at the primary, general or bond election to be held thereon on the . . . . . day of . . . . . , 19 . . . . .; that I expect to be absent from the county of my residence during the entire period that the polls will be open on the day of the election, and that I will have no opportunity to vote in person on that day.

I hereby make application for an official ballot or ballots on which I may vote at the primary, general or bond election specified. I will return the ballot or ballots by mail or will deliver them in person to the chairman or executive secretary of the board of elections of the county of my residence prior to 6:00 P.M. on the day before the election in which they shall be cast.

This . . . . . day of . . . . . , 19 . . . . . .

. . . . .	. . . . .
(Voter's name and signature; if application is requested by other person than voter, that person should write the voter's name on the above line)	(Address to which ballots are to be delivered)
. . . . .	. . . . .
(Name and signature of near relative of voter if application sought by near relative)	(Relationship of near relative to voter)
. . . . .	. . . . .
(Signature of person witnessing application)	(Address of witness)

(The above application for absentee ballots may be completed and signed on behalf of the voter applying for absentee ballots by any one of his or her near

relatives as follows: spouse, parent, child, grandparent, grandchild, brother, or sister.)

I, the undersigned, certify that I am the (fill in appropriate box with cross "X" mark):

[ ] Spouse

[ ] Parent [ ] Child

[ ] Grandparent [ ] Grandchild

[ ] Brother [ ] Sister

of the voter applying for absentee ballots and that I have been authorized by that person to make application on his or her behalf for absentee ballots for the primary or election identifed in the application.

. . . . . (Date) . . . . . (Signature)

(2) Absence for Sickness or Physicial Disability Occurring before 6:00 P.M. on the Wednesday prior to the Primary or General Election. — A voter expecting to be unable to go to the voting place to vote in person on primary or general election day because of his sickness or other physical disability, or his near relative, shall make written application for absentee ballots to the chairman of the board of elections of the county in which the voter is registered not earlier than 30 days nor later than 6:00 P.M. on the Wednesday before the election. The application shall be submitted in the form set out at the end of this subdivision upon a copy which shall be furnished the voter or a near relative by the chairman of the county board of elections.

The application shall be signed by the voter personally, or it shall be signed by a near relative. The application shall be signed in the presence of a witness, who shall sign his name in the place provided on the form.

The application form, when properly filled out, shall be transmitted by mail or delivered in person by the applicant or a near relative to the chairman or executive secretary of the county board of elections of the county in which the applicant is registered.

The form for use in applying for absentee ballots under this subdivision shall be as follows:

Application for Ballots by Voter Who Expects to Be Unable to Go to Voting Place on Primary or General Election Day because of Sickness or Physical Disability Occuring prior to 6:00 P.M. on the Wednesday before the Primary or General Election.

(Anyone who falsifies this statement is subject to a fine or imprisonment, or both.)

Application No. . . . . issued to . . . . . .

(This line shall be filled out before application is issued.)

State of North Carolina

County of . . . . . .

I, ..., certify that I am a registered voter residing in . . . . . precinct, ... township, in the County of . . . . . , North Carolina, and that I am lawfully entitled to vote in that precinct at the primary, general or bond election to be held therein on the . . . . . day of . . . . . ., 19 . . . . .; that by reason of sickness or physical disability, to wit: . . . . (Insert here statement of nature of illness or disability.)

I will be unable to travel from my home or place of confinement to the voting place in my precinct on election day.

I hereby make application for an official ballot or ballots on which I may vote

at the primary, general or bond election specified. I will return the ballot or ballots by mail or will deliver it in person or cause it to be delivered as authorized by law to the chairman or executive secretary of the board of elections of the county of my residence prior to 6:00 P.M. on the day before the election in which they shall be cast.

This . . . . . day of . . . . . ., 19 . . . . .

. . . . .	. . . . .
(Voter's name and signature; if application is requested by other person than voter, that person should write the voter's name on the above line)	(Address to which ballots are to be delivered)
. . . . .	. . . . .
(Name and signature of near relative of voter if application sought by near relative)	(Relationship of near relative to voter)
. . . . .	. . . . .
(Signature of person witnessing application)	(Address of witness)

(The above application for absentee ballots may be completed and signed on behalf of the voter applying for absentee ballots by any one of his or her near relatives as follows: spouse, parent, child, grandparent, grandchild, brother, or sister.)

I, the undersigned, certify that I am the (fill in appropriate box with cross "X" mark):

[ ] Spouse

[ ] Parent	[ ] Child
[ ] Grandparent	[ ] Grandchild
[ ] Brother	[ ] Sister

of the voter applying for absentee ballots and that I have been authorized by that person to make application on his or her behalf for absentee ballots for the primary or election identified in the application.

. . . . . (Date)

. . . . . (Signature)

(3) Absence for Sickness or Physical Disability Occuring after 6:00 P.M. on the Wednesday prior to Primary or General Election. — A voter expecting to be unable to go to the voting place to vote in person on primary or general election day because of sickness or other disability occurring after 6:00 P.M. on the Wednesday before the election, or a near relative, shall make written application for absentee ballots to the chairman of the board of elections of the county in which he is registered not later than 10:00 A.M. on the day preceding the election. The application shall be submitted in the form set out at the end of this subdivision upon a copy which shall be furnished the voter or a near relative by the chairman of the county board of elections.

The chairman of the county board of elections shall not issue or accept an application under the provisions of this subdivision later than 10:00 A.M. on the day preceding the primary or general election in which the voter seeks to vote.

The application shall be signed by the voter personally, or it shall be signed by a near relative. The application shall be signed in the presence of a witness, who shall sign his name in the place provided on the form.

The certificate printed on the application form below the signatures of the applicant and his subscribing witness shall be filled in and signed in the presence of a witness by a licensed physician who is attending the applicant. The witness to the physician's certificate shall sign his name in the place provided on the form.

The application form, when properly filled out, signed by or for the applicant in the presence of a subscribing witness as provided in this subdivision, and certified and signed by the attending physician in the presence of a subscribing witness, may be transmitted by mail to the chairman or executive secretary of the board of elections of the county in which the applicant is registered, or it may be delivered to the chairman or executive secretary in person by the applicant or by his near relative.

The form for use in applying for absentee ballots under this subdivision shall be as follows:

Application for Ballots by Voter Who Expects to Be Unable to Go to Voting Place on Primary or General Election Day because of Sickness or Physicial Disability Occurring after 6:00 P.M. on the Wednesday before the Election and Certificate of Attending Physician.

(Anyone who falsifies this statement is subject to a fine or imprisonment, or both.)

Application No. . . . . issued to . . . . . .

(This line shall be filed out before application is issued.)

State of North Carolina

County of . . . . . .

I, ..., certify that I am a registered voter residing in . . . . . precinct, ... township, in the County of . . . . . ., North Carolina, and that I am lawfully entitled to vote in that precinct at the primary, general or bond election to be held therein on the . . . . . day of . . . . . ., 19 . . . .; that by reason of sickness or physical disability occurring since 6:00 P.M. on the Wednesday before that election, I will be unable to travel from my home or place of confinement to the voting place in my precinct on election day.

I hereby make application for an official ballot or ballots on which I may vote at the primary, general or bond election specified. I will transmit the ballot or ballots to the chairman or executive secretary of the board of elections of the county of my residence prior to 6:00 P.M. on the day prior to the election.

This . . . . . day of . . . . . ., 19 . . . .

. . . . .	. . . . .
(Voter's name and signature; if application is requested by other person than voter, that person should write the voter's name on the above line)	(Address to which ballots are to be delivered)
. . . . .	. . . . .
(Name and signature of near relative of voter if application sought by near relative)	(Relationship of near relative to voter)
. . . . .	. . . . .
(Signature of person witnessing application)	(Address of witness)

(The above application for absentee ballots may be completed and signed on behalf of the voter applying for absentee ballots by any one of his or her near relatives, as follows: spouse, parent, child, grandparent, grandchild, brother, or sister.)

I, the undersigned, certify that I am the (fill in appropriate box with cross "X" mark):

[ ] Spouse

[ ] Parent [ ] Child
[ ] Grandparent [ ] Grandchild
[ ] Brother [ ] Sister

of the voter applying for absentee ballots and that I have been authorized by that person to make application on his or her behalf for absentee ballots for the primary or election identified in the application.

. . . . . (Date)

. . . . . (Signature)

Physician's Certificate

State of . . . . . .

County of . . . . . .

I, ..., certify that I am a physician, duly licensed to practice medicine in the State of . . . . . that I have examined . . . . . (insert applicant's name) on . . . . . (insert date) for an illness or physical disability occurring since 6:00 P.M. on the Wednesday prior to the primary or general election to be held on the . . . . . day of . . . . . ., 19 . . ., and that I believe that he (or she) will be physically incapable of being at the voting place at that election for the following reasons: . . . . . (insert reasons in space provided).

This . . . . . day of . . . . . ., 19 . . . .

. . . . . (Signature of physician)

. . . . . (Address of physician)

Witness: . . . . . .

(Signature of person witnessing signing of certificate)

. . . . . .

(Address of witness)

(4) Application Forms Issued by Chairman of County Board of Elections. — The chairman of the county board of elections shall be sole custodian of all absentee ballot application forms, but he, the secretary of the board or the executive secretary of the board, in accordance with one of the following two procedures, shall issue and deliver a single application form, upon request, to a person authorized to sign such an application under the provisions of this section:

a. The chairman, secretary or executive secretary may deliver the form to a voter personally or to his near relative at the office of the county board of elections for the voter's own use; or

b. The chairman, secretary or executive secretary may mail the form to a voter for his own use upon receipt of a written request from the voter or his near relative.

At the time he issues an application form, the chairman, secretary or executive secretary of the county board of elections shall number it and write the name of the voter in the space provided therefor at the top of the form. At the same time the chairman, secretary or executive secretary shall insert the name of the voter and the number assigned his application in the register of absentee ballot applications and ballots issued provided for in G.S. 163-228. If the application is requested by the voter's near relative, the chairman, secretary or executive secretary also shall insert that person's name in the register after the name of the voter.

The chairman, secretary or executive scretary shall issue only one application form to a voter or his near relative unless a form previously issued is returned to the chairman, secretary or executive secretary and marked "Void" by him. In such a situation, the chairman, secretary or executive secretary may issue another application form to the voter or a near relative, but he shall retain the voided application form in the board's records. If the application is requested by the voter's near relative, the chairman, secretary or executive secretary shall write the name of the near relative on the index of near relatives applying for applications for absentee ballots; the index shall be in such form as may be prescribed or approved by the State Board of Elections; a separate index shall be maintained for each primary, general or special election in which absentee voting is allowed.

(5) Applications for Absentee Ballots Transmitted by Mail or in Person. — An application for absentee ballots shall be made and signed only by the voter desiring to use them or the voter's near relative and shall be valid only when transmitted to the chairman or executive secretary of the county board of elections by mail or delivered in person by the voter or his near relative.

(6) Who Is Authorized to Request Applications for Absentee Ballots. — A voter may personally request an application for absentee ballots or may cause such request to be made through a near relative. For the purpose of this Article, "near relative" means spouse, brother, sister, parent, grandparent, child, or grandchild.

(7) The form of application for person applying to vote in a primary under the provisions of this section shall be the same as the application now required under the provisions of this section for persons applying to vote in a general or county bond election except that the chairman or executive secretary of each county board of elections shall cause to be printed or stamped on the margin of the application the phrase "I certify that I am now registered as an affiliate of the . . . . . party." A line or space for the signature of the voter shall be provided. No voter shall be furnished ballots for voting in a primary except the ballots for candidates for nomination in the primary of the political party with which he is affiliated. The official registration records of the county in which the voter is registered shall be proof of the party, if any, with which the voter is affiliated.

(8) The county board of elections shall cause to be stamped or printed on the face of each application for absentee ballots the following legend, and the blank space in the legend to be completed: "This application is issued for absentee ballots to be voted in the . . . . . (primary or general or county bond election) to be held in . . . . . County on the . . . . . day of . . . . . , 19 . . . ." The county board of elections shall not issue any applications unless they bear the completed legend and it shall not issue any absentee ballots on the basis of any application that does not bear the completed legend. (1939, c. 159, s. 2; 1943, c. 751, s. 1; 1963, c. 457, s. 2; 1967, c. 775, s. 1; c. 952, s. 3; 1971, c. 947, ss. 1-5; 1973, c. 536, s. 1; c. 1075, ss. 1-3; 1975, c. 19, s. 69; c. 844, s. 11.)

Editor's Note. — The first 1975 amendment corrected an error in the second 1973 amendatory act by deleting "the board's" preceding "application" in the second sentence of the second paragraph of subdivision (4) and substituting "the board's" for "his" preceding "records" in the second sentence of the third paragraph of subdivision (4).

The second 1975 amendment substituted "30 days" for "60 days" in subdivisions (1) and (2).

§ 163-227.1. Second primary; applications for absentee ballots for voting in second primary. — When a second primary is called, each county board of elections shall mail applications for absentee ballots for the second primary to all voters who voted by absentee ballot in the first primary. The board shall take this action automatically and no action on the part of any voter shall be first required by the board. The board shall complete this action within three days after a second primary is called. It shall mail the application for absentee ballots for the second primary to the address of the voter given in the application for absentee ballots for the first primary or to the voter's residence address if the person voted the absentee ballot pursuant to G.S. 163-227.2.

In addition, a voter entitled to absentee ballots under the provisions of this Article may apply for absentee ballots for a second primary not earlier than the day a second primary is called and not later than 6:00 P.M. on the Wednesday immediately preceding the second primary election date.

All procedures with respect to absentee ballots in a second primary shall be the same as with respect to absentee ballots in a first primary unless otherwise provided by this section. (1973, c. 536, s. 1.)

§ 163-227.2. Alternate procedures for requesting application for absentee ballot, completing application for absentee ballot, and voting absentee ballot. — (a) A person expecting to be absent from the county in which he is registered during the entire period that the polls are open on the day of a statewide primary or general election or county bond election may request an application for absentee ballots, complete the application, receive the absentee ballots, vote and deliver them sealed in a container-return evelope to the county board of elections in the county in which he is registered under the provisions of this section.

(b) Not earlier than 30 days before a primary or general election or county bond election in which he seeks to vote and not later than 6:00 P.M. on the Wednesday before that election, the voter shall appear in person at the office of the county board of elections and request that the chairman, a member, or the executive secretary of the board furnish him with the application for absentee ballots called for under G.S. 163-227(1). The voter shall complete the application in the presence of the chairman, member or executive secretary of the board, and shall deliver the application to that person.

(c) If the application is properly filled out, the chairman, member or executive secretary shall enter the voter's name in the register of absentee ballot applications and ballots issued; shall furnish the voter with the instruction sheets called for by G.S. 163-229(c); shall furnish the voter with the ballots to which the application for absentee ballots applies; and shall furnish the voter with a container-return envelope. The voter thereupon shall comply with the provisions of G.S. 163-231(a) except that he shall deliver the container-return envelope to the chairman, member or executive secretary immediately after making and subscribing the affidavit printed on the container-return envelope as provided in G.S. 163-229(b). All actions required by this subsection (c) shall be performed in the office of the board of elections. For the purposes of this section only, the chairman, a member or the executive secretary of the county board of elections are authorized to administer the oath required for the affidavit on the container-return envelope; in such case, no seal shall be required, but the chairman, board member or executive secretary shall sign and indicate the official title held by him or her, and shall charge no fee of any voter for taking the acknowledgement required under this section.

(d) The chairman, member or executive secretary shall keep the voter's application for absentee ballots and the sealed container-return envelope in a safe place, separate and apart from other applications and container-return envelopes. At the first meeting of the board pursuant to G.S. 163-230(2) held after receipt of the application and envelope, the chairman shall comply with the requirements of G.S. 163-230(1) and G.S. 163-230(2)b and c. If the voter's application for absentee ballots is approved by the board at that meeting, the

application form and container-return envelope, with the ballots enclosed, shall be handled in the same manner and under the same provisions of law as applications and container-return envelopes received by the board under other provisions of this Article. If the voter's application for absentee ballots is disapproved by the board, the board shall so notify the voter stating the reason for disapproval by first-class mail addressed to the voter at his residence address or at the address shown in the application for absentee ballots; and the board chairman shall retain the container-return envelope in its unopened condition until the day of the primary or election to which it relates and on that day he shall destroy the container-return envelope and the ballots therein, without, however, revealing the manner in which the voter marked the ballots. (1973, c. 536, s. 1; 1975, c. 844, s. 12.)

Editor's Note. — The 1975 amendment substituted "30 days" for "60 days" near the beginning of the first sentence of subsection (b).

§ 163-227.3. Date by which absentee ballots must be available for voting in primary elections. — Notwithstanding provisions contained in Article 20 and Article 21 to the contrary, the State Board of Elections may, if necessary, provide absentee ballots of the kinds to be furnished by the State Board, to the county boards of elections 40 days prior to the date on which the primary shall be conducted. This section is applicable only to primary election ballots. (1973, c. 1275.)

§ 163-228. Register of absentee ballot applications and ballots issued; a public record. — The State Board of Elections shall furnish the chairman of the board of elections in each county of the State with a book to be called the register of absentee ballot applications and ballots issued in which shall be recorded whatever information and official action may be required by this Article.

The register of absentee ballot applications and ballots issued shall constitute a public record and shall be opened to the inspection of any registered voter of the county at any time within 60 days before and 30 days after a statewide primary, general election or county bond election, or at any other time when good and sufficient reason may be assigned for its inspection. (1939, c. 159, ss. 3, 9; 1945, c. 758, s. 8; 1953, c. 1114; 1963, c. 457, s. 3; 1965, c. 1208; 1967, c. 775, s. 1; c. 952, s. 4; 1973, c. 536, s. 1.)

§ 163-229. Absentee ballots, container-return envelopes, and instruction sheets. — (a) Absentee Ballot Form. — In accordance with the provisions of G.S. 163-230(3), persons entitled to vote by absentee ballot shall be furnished with regular official ballots; separate or distinctly marked absentee ballots shall not be used.

(b) Container-Return Envelope. — In time for use not later than 30 days before a statewide primary, general election or county bond election, the county board of elections shall print a sufficient number of envelopes in which persons casting absentee ballots may transmit their marked ballots to the chairman of the county board of elections. Each container-return envelope shall be printed in accordance with the following instructions:

(1) On one side shall be printed an identified space in which shall be inserted the application number of the voter and the following statement which shall be certified by one member of the county board of elections:

"Certification of Election Official

The undersigned election official does by his hand and seal certify that . . . . . is a registered and qualified voter of . . . . . County Precinct # . . . . . and

has made proper application to vote under the Absentee Ballot Law of North Carolina.

. . . . . (SEAL)

Chairman-Member"

(2) On the other side shall be printed the return address of the chairman of the county board of elections and the following affidavit:

"Affidavit of Absentee or Sick Voter

State of . . . . . .

County of

I, ..., do solemnly swear that I am a resident and registered voter in . . . . . precinct, ... County, North Carolina; that on the day of the primary, general or bond election, ..., 19 . . . . ,

(Check whichever of the following statements is correct.)

[ ] I will be absent from the county in which I reside.

[ ] Due to sickness or physical disability, or incarceration as a misdemeanant, I will be unable to travel to the voting place in the precinct in which I reside.

I further swear that I made application for absentee ballots, and that I marked the ballots enclosed herein, or that they were marked for me in my presence and according to may instructions.

. . . . . .

(Signature of voter)

Sworn to and subscribed before me this . . . . . .

day of . . . . . ., 19 . . . .

. . . . . .

(Signature and seal of officer administering oath)

My commission (if any) expires

. . . . . .

. . . . . .

(Title of officer)"

Note: The acknowledgment of a member of the armed forces of the United States may be taken before any commissioned officer or noncommissioned officer of the rank of sergeant in the army, petty officer in the navy, or equivalent rank in other branches of the armed forces.

(c) Instruction Sheets. — In time for use not later than 30 days before a statewide primary, general or county bond election, the county board of elections shall prepare and print a sufficient number of sheets of instructions on how voters are to prepare absentee ballots and return them to the chairman of the county board of elections. (1929, c. 164, s. 39; 1939, c. 159, ss. 3, 4; 1943, c. 751, s. 2; 1963, c. 457, ss. 3, 4; 1965, c. 1208; 1967, c. 775, s. 1; c. 851, s. 1; c. 952, s. 5; 1973, c. 536, s. 1; 1975, c. 844, s. 13.)

Editor's Note. — The 1975 amendment substituted "30 days" for "60 days" in subsections (b) and (c).

§ 163-230. Consideration and approval of applications and issuance of absentee ballots. — The procedure to be followed in receiving applications for absentee ballots, passing upon their validity, and issuing absentee ballots shall be governed by the provisions of this section.

(1) Record of Applications Received and Ballots Issued. — Upon receipt of a voter's written application for absentee ballots the chairman of the

county board of elections shall promptly enter in the register of absentee ballot applications and ballots issued so much of the following information as he has not already entered there under the provisions of G.S. 163-227(4):

a. Name of voter applying for absentee ballots, and, if applicable, the name and address of the voter's near relative who applied for the application for absentee ballots.
b. Number of assigned voter's application when issued.
c. Precinct in which applicant is registered.
d. Address to which ballots are to be mailed, or that the voter voted pursuant to G.S. 163-227.2.
e. Reason assigned for requesting absentee ballots.
f. Date application for ballots is received by chairman.
g. The voter's party affiliation.

(2) Determination of Validity of Applications for Absentee Ballots. — The county board of elections shall constitute the proper official body to pass upon the validity of all applications for absentee ballots received in the county; this function shall not be performed by the chairman or any other member of the board individually.

a. Required meetings of county board of elections. — During the period opening 30 days before a statewide primary, general election or county bond election and closing at 6:00 P.M. on the Wednesday before the election, the county board of elections shall hold public meetings on Monday and Friday of each week at 10:00 A.M., and it shall also hold public meetings at 10:00 A.M. on the seventh, fifth, third and first days immediately preceding election day. These meetings shall be held at the county courthouse or at the elections board's office at the hour fixed by law. At these meetings the county board of elections shall pass upon applications for absentee ballots.

Upon a majority vote, the county board of elections may hold the required public meetings at an hour other than 10:00 A.M., and it may hold more than one session on each Monday and Friday it is required to meet and may set the hours of any additional sessions. If the board desires to exercise either or both of the options granted by the preceding sentence, it shall do so prior to the date on which it is required to hold its first public meeting under the provisions of this subdivision and in time to give the notice required by the fourth paragraph of this lettered portion of this subdivision; thereafter, no change shall be made in the hours fixed for the board's public meetings on absentee ballot applications.

It shall not be necessary for the chairman of the county board of elections to give notice to other board members of weekly meetings of the board which are fixed as to time and place by this section.

If the county board of elections changes the time of holding its Monday and Friday meetings or provides for additional meetings on Mondays and Fridays in accordance with the terms of this subdivision, notice of the change in hour and notice of the schedule of additional meetings, if any, shall be published in a newspaper circulated in the county, and a notice thereof shall be posted at the courthouse door of the county, at least one week prior to the time fixed for holding the first meeting under this subdivision.

The county board of elections shall not be required to hold any of the meetings prescribed by this subdivision unless, since its last preceding meeting, it actually has received one or more ap-

plications for absentee ballots which it has not passed upon. When no meeting is to be held for this reason, the chairman shall notify each of the other members of the county board of elections that the scheduled public meeting will not be held and state the reasons for its cancellation.

b. Procedure at required meeting; making determination. — At each public meeting of the county board of elections the chairman shall present for consideration, and the board shall pass upon, the validity of all applications for absentee ballots received since its last preceding public meeting held for that purpose. In connection with each application received by mail the chairman shall also present the container envelope in which the application was received. At each such meeting any registered voter of the county shall be heard and allowed to present evidence in opposition to, or in favor of, the issuance of absentee ballots to any voter making application for them.

The county board of elections may consider the registration records as evidence of the voter's signature, if available, and as any other evidence that may be necessary to pass upon such an application, including the party affiliation of a voter seeking to vote in a primary.

If the board finds that the applicant is a qualified voter of the county, that he is registered in the precinct stated in his application, that the assertions in his application are true, and that his application is in proper form, it shall approve his application for absentee ballots.

c. Record of board's determination; decision final. — At the time the county board of elections makes its decision on an application for absentee ballots, the chairman shall enter in the appropriate column in the register of absentee ballot applications and ballots issued opposite the name of the applicant a notation of whether his application was "Approved" or "Disapproved." The decision of the board on the validity of an application for absentee ballots shall be final, subject only to such review as may be necessary in the event of an election contest.

(3) Delivery of Absentee Ballots and Container-Return Envelope to Applicant. — When the county board of elections approves an application for absentee ballots, the chairman shall promptly issue and transmit them to the voter only, and not to his near relative, in accordance with the following instructions:

a. On the top margin of each ballot the applicant is entitled to vote, the chairman shall write or type the words "Absentee Ballot No. . . . . " and insert in the blank space the number assigned the applicant's application in the register of applications for absentee ballots and ballots issued. He shall not write, type, or print any other matter upon the ballots transmitted to the absentee voter.

b. The chairman shall fold and place the ballots (identified in accordance with the preceding instruction) in a container-return envelope and write or type in the appropriate blanks thereon, in accordance with the terms of G.S. 163-229(b), the absentee voter's name, his application number, and the designation of the precinct in which the voter is registered. The chairman shall leave the container-return envelope holding the ballots unsealed.

c. The chairman shall then place the unsealed container-return envelope holding the ballots, together with printed instructions for voting and returning the ballots, in an envelope addressed to the applicant at the post-office address stated in his application, seal

the envelope, and mail it at the expense of the county board of elections, or deliver it to the applicant in person: Provided, that in case of approval of an application received after 6:00 P.M. on the Wednesday before the election under the provisions of G.S. 163-227(3), in lieu of transmitting the ballots to the applicant in person or by mail, the chairman may deliver the sealed envelope containing the instruction sheet and the container-return envelope holding the ballots to a near relative of the voter. (1939, c. 159, s. 3; 1963, c. 457, s. 3; 1965, c. 1208; 1967, c. 775, s. 1; c. 952, s. 6; 1973, c. 536, s. 1; c. 1075, s. 4; 1975, c. 844, ss. 14, 19.)

Editor's Note. — The 1975 amendment substituted "30 days" for "60 days" near the beginning of the first sentence of the first paragraph of subdivision (2)a and inserted "fifth" near the end of that sentence.

Delivery of Ballot to Voter. — The fact that the chairman of the county board of elections, in company with candidates in the election, personally delivers absentee ballots to absentee voters at their temporary residence in another state or county is insufficient, of itself, to vitiate their votes, there being no evidence remotely suggesting coercion, fraud, or imposition. State ex rel. Owens v. Chaplin, 228 N.C. 705, 47 S.E.2d 12 (1948).

§ 163-231. Voting absentee ballots and transmitting them to chairman of county board of elections. — (a) Procedure for Voting Absentee Ballots. — In the presence of an officer authorized to administer oaths, having an official seal, the voter shall:

(1) Mark his ballots, or cause them to be marked in his presence according to his instructions.

(2) Fold each ballot separately, or cause each of them to be folded in his presence.

(3) Place the folded ballots in the container-return envelope and securely seal it, or to have this done in his presence.

(4) Make and subscribe the affidavit printed on the container-return envelope according to the provisions of G.S. 163-229(b).

The officer administering the oath shall then complete the form on the container-return envelope and affix his seal, if any, in the place indicated. When thus executed, the sealed container-return envelope, with the ballots enclosed, shall be transmitted in accordance with the provisions of subsection (b) of this section to the chairman of the county board of elections who issued the ballots.

In the case of voters who are members of the armed forces of the United States, as defined in G.S. 163-245, the signature of any commissioned officer or noncommissioned officer of the rank of sergeant in the army, petty officer in the navy, or equivalent rank in other branches of the armed forces, as a witness to the execution of any certificate required by this or any other section of this Article to be under oath shall have the force and effect of the jurat of an officer with a seal fully authorized to take and administer oaths in connection with absentee ballots.

(b) Transmitting Executed Absentee Ballots to Chairman of County Board of Elections. — The sealed container-return envelope in which executed absentee ballots have been placed shall be transmitted to the chairman of the county board of elections who issued them as follows: All ballots issued under the provisions of Articles 20 and 21 of this Chapter shall be transmitted by mail, at the voter's expense, or delivered in person, or by the voter's spouse, brother, sister, parent, grandparent, child, or grandchild not later than 6:00 P.M. on the day before the statewide primary or general election or county bond election. If such ballots are received later than that hour, they shall not be accepted for voting. (1939, c. 159, ss. 2, 5; 1941, c. 248; 1943, c. 736; c. 751, s. 1; 1945, c. 758, s. 5; 1963, c. 457, ss. 2, 5; 1967, c. 775, s. 1; 1971, c. 1247, s. 3; 1973, c. 536, s. 1.)

Voters Must Be Sworn. — Where the evidence supports the findings that certain absentee voters were not sworn, the rejection of their ballots is proper. State ex rel. Owens v. Chaplin, 228 N.C. 705, 47 S.E.2d 12 (1948).

Oaths Need Not Be Taken upon the Bible. — The fact that the oaths of absentee voters were not taken by them upon the Bible, but were taken with uplifted hands, does not invalidate their votes. State ex rel. Owens v. Chaplin, 228 N.C. 705, 47 S.E.2d 12 (1948).

The interest of the clerk of the superior court in his own reelection, standing alone, does not disqualify him from administering oaths to absentee voters, administering the oaths being ministerial and not judicial. State ex rel. Owens v. Chaplin, 228 N.C. 705, 47 S.E.2d 12 (1948).

§ 163-232. Certified list of approved applications to be transmitted to State Board of Elections and posted; original applications to accompany list. — The chairman of the county board of elections shall prepare a list, in quadruplicate, of all applications for absentee ballots received by him which have been approved by the county board of elections. At the end of the list he shall execute the following certificate under oath:

"State of North Carolina
County of . . . . . .

I, ..., chairman of the . . . . . county board of elections, do hereby certify that the foregoing is a list of all applications filed with me for absentee ballots to be voted in the primary or general election or county bond election on the . . . . . day of . . . . . ., 19 . . . ., which have been approved by the county board of elections. I further certify that I have issued ballots to no other persons than those listed herein, whose original applications or original applications made by near relatives are enclosed to be filed with the State Board of Elections; and I further certify that I have not delivered ballots for absentee voting to any person other than the voter himself, by mail or in person, except as provided by law in the case of approved applications received after 6:00 P.M. on the Wednesday before the election.

This the . . . . day of . . . . . ., 19 . . . .

. . . . . .
(Signature of chairman of
county board of elections)

Sworn to and subscribed before me this . . . . . day of . . . ., 19 . . . . Witness my hand and official seal.

. . . . . .
(Signature of officer administering oath)

. . . . . .
(Title of officer)"

Before noon on the day before a statewide primary, general election or county bond election, the chairman of the county board of elections shall send one copy of the list required by this section, together with the original of all applications for absentee ballots received by him, by registered mail to the chairman of the State Board of Elections, at Raleigh, North Carolina. He shall post one copy of the list at a conspicuous place at the county courthouse door, he shall deliver one copy to the registrar of each precinct for posting in a conspicuous place in the voting enclosure immediately upon the opening of the polls on the day of a statewide primary, general election or county bond election, and he shall retain the fourth copy for himself. (1939, c. 159, s. 6; 1943, c. 751, s. 3; 1963, c. 457, s. 6; 1967, c. 775, s. 1; 1973, c. 536, s. 1.)

§ 163-233. Lists of absentee ballots; distribution. — On the day of election, the chairman of the county board of elections shall prepare for each precinct a list, in quadruplicate, of all executed absentee ballots he has received. He shall cause two copies of the appropriate list to be delivered to the registrar of the precinct no later than 4:00 P.M. on election day. The county board of elections may call upon the sheriff of the county to distribute the list to the precincts.

The registrar shall post one copy of the list immediately in a conspicuous location in the voting place and retain one copy until all challenges of absentee ballots have been heard by the county board of elections. Challenges shall be made to absentee ballots as provided in G.S. 163-89. On election day the chairman shall mail to the State Board of Elections, Raleigh, North Carolina, one copy of each of the lists prepared under this section, and he shall retain one copy for his use.

After the last person has voted, the registrar shall call the name of each person recorded on the list and enter an "A" in the appropriate place on the voter's permanent registration record. If such person is already recorded as having voted in that election, the registrar shall enter a challenge. (1939, c. 159, s. 7; 1943, c. 751, s. 4; 1963, c. 457, s. 7; 1967, c. 775, s. 1; 1973, c. 536, s. 1; c. 1075, s. 5.)

§ 163-233.1. Withdrawal of absentees ballots not allowed. — No person shall be permitted to withdraw an absentee ballot after such ballot has been mailed to or returned to the county board of elections. (1973, c. 536, s. 1.)

§ 163-234. Counting absentee ballots by county board of elections. — All absentee ballots returned to the chairman or executive secretary of the county board of elections in the container-return envelopes shall be retained by the chairman to be counted by the county board of elections as herein provided.

(1) Only those absentee ballots returned to the county board of elections no later than 6:00 P.M. on the day before election day in a properly executed container-return envelope shall be counted.

(2) The county board of elections shall meet at 5:00 P.M. on the election day in the board office or other public location in the county courthouse for the purpose of counting all absentee ballots except those which have been challenged before 5:00 P.M. on election day. Any elector of the county shall be permitted to attend the meeting and allowed to observe the counting process, provided he shall not in any manner interfere with the election officials in the discharge of their duties.

Provided, that the county board of elections is authorized to begin counting absentee ballots between the hours of 2:00 P.M. and 5:00 P.M. upon the adoption of a resolution at least two weeks prior to the election wherein the hour and place of counting absentee ballots shall be stated. A copy of the resolution shall be published once a week for two weeks prior to the election, in a newspaper having general circulation in the county. The county shall be continuous until completed and the members shall not separate or leave the counting place except for unavoidable necessity. The board shall not announce the result of the count before 7:30 P.M.

(3) The counting of absentee ballots shall not commence until a majority and at least one board member of each political party represented on the board is present and such fact is publicly declared and entered in the official minutes of the county board.

(4) The county board of elections may employ such assistants as deemed necessary to count the absentee ballots, but each board member present shall be responsible for and observe and supervise the opening and tallying of the ballots.

(5) As each ballot envelope is opened, the board shall cause to be entered into a pollbook designated "Pollbook of Absentee Voters" the name of the absentee voter. Preserving secrecy, the ballots shall be placed in the appropriate ballot boxes, at least one of which shall be provided for each type of ballot.

After all ballots have been placed in the boxes, the county process shall begin.

If a challenge transmitted to the board on canvass day by a registrar

is sustained, the ballots challenged and sustained shall be withdrawn from the appropriate boxes, as provided in G.S. 163-89(e).

As soon as the absentee ballots have been counted and the names of the absentee voters entered in the pollbook as required herein, the board members and assistants employed to county the absentee ballots shall each sign the pollbook immediately beneath the last absentee voter's name entered therein. The chairman shall be responsible for the safekeeping of the pollbook of absentee voters.

(6) Upon completion of the counting process the board members shall cause the results of the tally to be entered on the absentee abstract provided by the State Board of Elections. The abstract shall be signed by the members of the board in attendance and the original mailed immediately to the State Board of Elections, Raleigh, North Carolina.

(7) One copy of the absentee abstract shall be retained by the county board of elections and the totals appearing thereon shall be added to the final totals of all votes cast in the county for each office as determined on the official canvass.

(8) In the event a political party does not have a member of the county board of elections present at the 5:00 P.M. meeting to count absentee ballots due to illness or other cause of the member, the counting shall not commence until the county party chairman of said absent member, or a member of the party's county executive committee, is in attendance. Such person shall act as an official witness to the counting and shall sign the absentee ballot abstract as an "observer."

(9) The county board of elections shall retain all container-return envelopes and absentee ballots, in a safe place, for at least four months, and longer if any contest is pending concerning the validity of any ballot. (1939, c. 159, ss. 8, 9; 1945, c. 758, s. 8; 1953, c. 1114; 1963, c. 547, s. 8; 1967, c. 775, s. 1; c. 851, s. 2; 1973, c. 536, s. 1; 1975, c. 798, s. 3.)

Editor's Note. — The 1975 amendment added the second paragraph of subdivision (2).

§ 163-235: Repealed by Session Laws 1973, c. 536, s. 5.

§ 163-236. Violations by chairman of county board of elections. — The chairman of the county board of elections shall be sole custodian of blank applications for absentee ballots, official ballots, and container-return envelopes for absentee ballots. He shall issue and deliver blank applications for absentee ballots in strict accordance with the provisions of G.S. 163-227(4). The issuance of ballots to persons whose applications for absentee ballots have been approved by the county board of elections under the provisions of G.S. 163-230(3) is the responsibility and duty of the chairman of the county board of elections.

It shall be the duty of the chairman of the county board of elections to keep current all records required of him by this Article and to make promptly all reports required of him by this Article.

The willful violation of the terms of this section shall constitute a misdemeanor, and upon conviction, the offender shall be fined not less than one hundred dollars ($100.00), or imprisoned not less than 60 days, or both, in the discretion of the court. (1939, c. 159, s. 14; 1963, c. 457, s. 10; 1967, c. 775, s. 1.)

§ 163-237. Certain violations of absentee ballot law made criminal offenses. — (a) False Statements under Oath Made Misdemeanor. — If any person shall willfully and falsely make any affidavit or statement, under oath, which affidavit or statement under oath is required to be made by the provisions of this Article, he shall be guilty of a misdemeanor, and upon conviction, shall be punished by a fine of not less than one hundred dollars ($100.00), or

imprisoned for not less than 60 days, or both, in the discretion of the court.

(b) False Statements Not under Oath Made Misdemeanor. — If any person, for the purpose of obtaining or voting any official ballot under the provisions of this Article, shall willfully sign any printed or written false statement which does not purport to be under oath, or which, if it purports to be under oath, was not duly sworn to, he shall be guilty of a misdemeanor, and upon conviction shall be fined not less than one hundred dollars ($100.00), or imprisoned not less than 60 days, or both, in the discretion of the court.

(c) Fraud in Connection with Absentee Vote; Forgery. — Any person attempting to aid and abet fraud in connection with any absentee vote cast or to be cast, under the provisions of this Article, shall be guilty of a misdemeanor, and, upon conviction, be fined or imprisoned, in the discretion of the court. Any person attempting to vote by fraudulently signing the name of a regularly qualified voter shall be guilty of forgery, and be punished accordingly.

(d) Violations Not Otherwise Provided for Made Misdemeanors. — If any person shall willfully violate any of the provisions of this Article, or willfully fail to comply with any of the provisions thereof, for which no other punishment is herein provided, he shall be guilty of a misdemeanor, and upon conviction, shall be fined not less than one hundred dollars ($100.00), or imprisoned not less than six months, or both, in the discretion of the court. (1929, c. 164, s. 40; 1939, c. 159, ss. 12, 13, 15; 1967, c. 775, s. 1.)

§ 163-238. Reports of violations to Attorney General and solicitors. — It shall be the duty of the State Board of Elections to report to the Attorney General of North Carolina, and to the solicitor of the appropriate solicitorial district, any violation of this Article, or the failure of any person charged with a duty under its provisions to comply with and perform that duty, and it shall be the duty of the solicitor to cause such a person to be prosecuted therefor. (1939, c. 159, s. 16; 1967, c. 775, s. 1.)

§ 163-239. Article 21 relating to absentee voting by servicemen and certain civilians not applicable. — Except as otherwise provided therein, Article 21 of this Chapter, relating to absentee registration and voting by servicemen and certain civilians, shall not apply to or modify the provisions of this Article. (1963, c. 457, s. 11; 1967, c. 775, s. 1.)

§§ 163-240 to 163-240.5: Expired July 1, 1972.

§§ 163-241 to 163-244: Reserved for future codification purposes.

ARTICLE 21.

Military Absentee Registration and Voting in Primary and General Elections.

§ 163-245. Persons in armed forces, their spouses, certain veterans, civilians working with armed forces, and members of Peace Corps may register and vote by mail. — (a) Any individual who is eligible to register and who is qualified to vote in any statewide primary or election held under the laws of this State, and who is absent from the county of his residence in any of the capacities specified in subsection (b) of this section, shall be entitled to register by mail and to vote by military absentee ballot in the manner provided in this Article.

(b) The provisions of this Article shall apply to the following persons:

(1) Persons serving in the armed forces of the United States, including (but not limited to) the army, the navy, the air force, the marine corps, the coast guard, the Army Nurse Corps, the Navy Nurse Corps, the Women's Navy Reserve, the Marine Corps Women's Reserve, the Women's Army Corps, the Merchant Marine, and members of the

national guard and military reserve who on the day of a primary or general election are absent on active duty.

(2) Spouses of persons serving in the armed forces of the United States residing outside the counties of their spouses' voting residence.

(3) Disabled war veterans in United States government hospitals.

(4) Civilians attached to and serving outside the United States with the armed forces of the United States.

(5) Members of the Peace Corps. (1941, c. 346, ss. 1, 1a; 1943, c. 503, s. 1; 1945, c. 758, s. 4; 1953, c. 908; 1963, c. 457, s. 16; 1967, c. 775, s. 1; 1973, c. 793, s. 71.)

Editor's Note. — For comment on former §§ 163-70 to 163-77, relating to absentee voting in primaries by voters in military and naval service, see 19 N.C.L. Rev. 480.

§ 163-246. Provisions of Article 20 applicable except as otherwise provided; State Board of Elections to adopt regulations. — Except as otherwise provided in this Article, registration by mail and absentee voting by individuals to whom this Article is applicable shall be governed by the provisions of Article 20 of this Chapter. By way of illustration rather than limitation, the provisions of this paragraph shall apply to the form of absentee ballots, certificates and container-return envelopes; the manner of depositing and voting military absentee ballots; the counting and certifying of results; the hearing of challenges; and the preservation of container-return envelopes in which executed military absentee ballots are transmitted.

The State Board of Elections is authorized to adopt and promulgate whatever rules and regulations (not in conflict with other provisions of this Chapter) it may deem necessary to carry out the true intent and purpose of this Article. (1941, c. 346, ss. 7-10; 1943, c. 503, ss. 7, 8; 1963, c. 457, s. 15; 1967, c. 775, s. 1.)

§ 163-247. Methods of applying for absentee ballots. — An individual entitled to exercise the rights conferred by this Article and who is absent from the county of his residence may apply for absentee ballots in either of the ways provided in this section.

(1) Federal Post Card Application Form. — At any time prior to the statewide primary or general election in which he seeks to vote the applicant may make and sign a written application to the Secretary of State for absentee ballots on the post card from prescribed in Public Law 712 of the 77th Congress. Upon receiving such an application, the Secretary of State shall record the applicant's name and residence address on a record maintained for that purpose and immediately transmit the application to the State Board of Elections. Upon receiving such an application from the Secretary of State, the State Board of Elections shall transmit it to the chairman of the board of elections of the county in which the applicant has his residence, together with instructions for handling the application under the provisions of this Article.

(2) Application to Chairman of County Board of Elections. — In lieu of applying on the federal post card as provided in the preceding subdivision, at any time prior to the statewide primary or general election in which he seeks to vote the applicant may make and sign a written application to the chairman of the board of elections of the county of his residence upon a form prepared and furnished him upon request by the county board of elections. This form shall require the applicant's signature and shall elicit from him:

a. A request for absentee ballots to be voted in a specified statewide

primary or general election.

b. A statement of his political party affiliation if he seeks to vote by absentee ballot in a primary election.

c. A statement of his membership in the armed forces of the United States, or his membership in one of the other categories to which this Article is made applicable in G.S. 163-245.

d. A statement of the precinct in which he is registered to vote, or, if the applicant is not registered, a statement of his address before entering military or other qualifying service and the period of time he resided at that address.

e. A statement of the address to which the absentee ballots should be mailed.

In lieu of using a form prepared and furnished by the county board of elections, the voter may apply in an informal writing. If the written application is signed by the voter and if it contains all the information required by this subdivision, it shall be regarded as sufficient to permit the chairman of the county board of elections to act upon it. (1941, c. 346, ss. 2, 3; 1943, c. 503, s. 2; 1963, c. 457, s. 12; 1967, c. 775, s. 1.)

§ 163-248. Register, ballots, container-return envelopes, and instruction sheets. — (a) Register of Military Absentee Ballot Applications and Ballots Issued. — The State Board of Elections shall furnish the chairman of the board of elections in each county of the State with a book to be called the register of military absentee ballot applications and ballots issued in which shall be recorded whatever information and official action may be required by this Article. In lieu of furnishing this register, the State Board of Elections may provide for a separate military section in the register furnished under the provisions of G.S. 163-228 which shall be used for the same purpose.

The register of military absentee ballot applications and ballots issued, whether contained in a separate book or maintained as a separate part of the register furnished under the provisions of G.S. 163-228, shall constitute a public record and shall be opened to the inspection of any registered voter of the county at any time.

(b) Absentee Ballot Form. — Persons entitled to vote by absentee ballot under the terms of this Article shall be furnished with regular official ballots; separate or distinctly marked absentee ballots shall not be used. The State Board of Elections and the county boards of elections shall have all necessary absentee ballots printed and in the hands of the proper election officials not later than 30 days before the primary or election.

(c) Container-Return Envelope. — The county board of elections shall print a sufficient number of envelopes in which persons casting military absentee ballots may transmit their marked ballots to the chairman of the county board of elections. The container-return envelopes shall be printed and available for use not later than 30 days before the primary or election. Each container-return envelope shall be printed in accordance with the following instructions:

(1) On one side shall be arranged identified spaces in which the chairman of the county board of elections may insert the name of the applicant, the number assigned his application, and the designation of the precinct in which his ballots are to be voted.

(2) On the other side shall be printed the return address of the chairman of the county board of elections and the following certificate:

"Certificate of Absentee Voter

I, ..., do hereby certify that I am a resident and qualified voter in . . . . . precinct, ... County, North Carolina, and that I am [check whichever of the following statements is correct]

[ ] Serving in the armed forces of the United States

[ ] The spouse of a member of the armed forces of the United States residing outside the county of my spouse's residence
[ ] A disabled war veteran in a United States government hospital
[ ] A civilian attached to and serving outside the United States with the armed forces of the United States
[ ] A member of the Peace Corps

I further certify that I am affiliated with the . . . . . Party. [To be completed only if applicant seeks to vote in the primary of the political party to which he belongs.]

I further certify that the following is my official address:

. . . . . .
[Unit (Co., Sq., Trp., Bn., etc.), Governmental Agency, or Office]
. . . . . .
[Military Base, Station, Camp, Fort, Ship, Airfield, etc.]
. . . . . .
[Street number, APO, or FPO number]
. . . . . .
[City, postal zone, State, and zip code]

I further certify that I made application for absentee ballots and that I marked the ballots enclosed herein, or that they were marked for me in my presence and according to my instruction.

Witness my hand in the presence of . . . . . [Insert name and rank of witnessing officer] this . . . . . day of . . . . . ., 19. . . .

. . . . . .
(Signature of voter)

Witness: . . . . . .
(Signature of witnessing officer)
Rank or title of witnessing officer: . . . . . .
Unit to which witnessing officer is assigned: . . . . . .

Note: This certificate may be witnessed by any commissioned officer or any noncommissioned officer of the rank of sergeant in the Army, petty officer in the Navy, or equivalent rank in other branches of the armed forces of the United States."

(d) Instruction Sheets. — The county board of elections shall prepare and print a sufficient number of sheets of instructions on how voters covered by the provisions of this Article are to prepare absentee ballots and return them to the chairman of the county board of elections. The instruction sheets shall be printed and available for use not later than 30 days before the primary or election. (1929, c. 164, s. 39; 1941, c. 346, ss. 2, 3, 4, 5, 6; 1943, c. 503, s. 3; 1963, c. 457, ss. 12, 13, 14; 1967, c. 775, s. 1; 1973, c. 793, s. 72; 1975, c. 844, ss. 15-17.)

Editor's Note. — The 1975 amendment inserted "absentee" in the second sentence of subdivision (b), substituted "not later than 30 days before the primary or election" for "not later than, in the case of a primary election, 10 days after the time has expired for the filing of candidacy for county office, and in the case of a general election, the first day of September immediately prior thereto" at the end of that sentence and rewrote the second sentence in both subsections (c) and (d).

§ 163-249. Consideration and approval of applications and issuance of absentee ballots. — The procedure to be followed in receiving applications for absentee ballots under this Article, passing upon their validity, and issuing absentee ballots shall be governed by the provisions of this section.

(1) Record of Applications Received and Ballots Issued. — Upon receipt of a voter's written application for absentee ballots in either of the forms permitted by G.S. 163-247, the chairman of the county board of elections shall promptly enter in the register of military absentee ballot

applications and ballots issued:

a. Name of voter applying for absentee ballots.

b. Applicant's political party affiliation as stated in an application for ballots in a primary.

c. Number assigned voter's application. (Numbers assigned applications received under the provisions of this Article shall be chosen so as not to be identical with numbers assigned applications received under the provisions of Article 20.)

d. Precinct in which applicant is registered if he is already registered, or precinct in which applicant is registered by the chairman of the county board of elections under the provisions of subdivisions (2) and (3) of this section.

e. Address to which ballots are to be mailed.

f. Statement of basis on which applicant asserts his qualifications for obtaining absentee ballots under the provisions of this Article.

g. Date application for ballots is received by chairman.

(2) Determination of Validity of Applications for Absentee Ballots; Handling Applications for Persons Not Registered. — The chairman of the county board of elections shall pass upon the validity of all applications for absentee ballots received under the provisions of this Article, and he shall not delegate this responsibility.

If the chairman finds that the applicant is a qualified voter of the county, that he is registered in the precinct stated in his application, that the assertions in his application are true, that they demonstrate that he is entitled to vote by absentee ballot under the terms of this Article, and that his application is in proper form, the chairman shall approve the application for absentee ballots.

If the chairman finds that the applicant is not registered to vote in the precinct in which he declares he is a resident, the chairman shall make a reasonable investigation as to the applicant's residence. If the chairman determines that the applicant is a resident of the precinct asserted, that he is eligible to register and vote under the Constitution and statutes of this State, and that his application is otherwise in order, the chairman shall register him according to the procedure specified in subdivision (3) of this section and approve his application for absentee ballots.

(3) Record of Chairman's Decisions; Registration by Chairman. — At the time the chairman of the county board of elections makes his decision on an application for absentee ballots, he shall enter in the appropriate column in the register of military absentee ballot applications and ballots issued opposite the name of the applicant a notation of whether his application was "Approved" or "Disapproved." In cases in which the chairman determines that an unregistered applicant is entitled to register, he shall also note in the appropriate column of the register the designation of the precinct in which the applicant is entitled to vote. This entry shall constitute registration and shall entitle an otherwise qualified applicant to receive absentee ballots.

(4) Delivery of Absentee Ballots and Container-Return Envelope to Applicant. — When the chairman of the county board of elections approves an application for military absentee ballots he shall promptly issue and transmit them in accordance with the following instructions:

a. On the top margin of each ballot the applicant is entitled to vote, the chairman shall write or type the words "Absentee Ballot No. . . . ." and insert in the blank space the number assigned the applicant's application in the register of military absentee ballot applications and ballots issued. He shall not write, type, or print

any other matter upon the ballots transmitted to the absentee voter.

b. The chairman shall fold and place the ballots (identified in accordance with the preceding instruction) in a container-return envelope and write or type in the appropriate blanks thereon, the absentee voter's name, his application number, and the designation of the precinct in which his ballots are to be voted. The chairman shall leave the container-return envelope holding the ballots unsealed.

c. The chairman shall then place the unsealed container-return envelope holding the ballots, together with printed instructions for voting and returning the ballots, in an envelope addressed to the applicant at the address stated in his application, seal the envelope, and mail it at the expense of the county board of elections. (1941, c. 346, ss. 2, 3, 4, 5; 1943, c. 503, s. 3; 1963, c. 457, ss. 12, 13; 1967, c. 775, s. 1.)

§ 163-250. Voting absentee ballots and transmitting them to chairman of county board of elections. — (a) Procedure for Voting Absentee Ballots. — In the presence of any commissioned officer or noncommissioned officer of the rank of sergeant in the army, petty officer in the navy, or equivalent rank in other branches of the armed forces of the United States, the voter shall:

(1) Mark his ballots, or cause them to be marked in his presence according to his instructions.

(2) Fold each ballot separately, or cause each of them to be folded in his presence.

(3) Place the folded ballots in the container-return envelope and securely seal it, or have this done in his presence.

(4) Make and subscribe the certificate printed on the container-return envelope according to the provisions of G.S. 163-248(c).

The officer witnessing the voter's signature shall then complete the form on the container-return envelope by signing his name in the appropriate place and entering his rank or title and the designation of the unit to which he is assigned.

(b) Transmitting Executed Absentee Ballots to Chairman of County Board of Elections. — When executed and witnessed in accordance with the provisions of subsection (a) of this section, the sealed container-return envelope in which executed absentee ballots have been placed shall be mailed by the voter to the chairman of the county board of elections who issued them. (1941, c. 346, ss. 7-10; 1963, c. 457, s. 15; 1967, c. 775, s. 1.)

§ 163-251. Certified list of approved military absentee ballot applications; record of ballots received; disposition of list; list constitutes registration. — (a) Preparation of List. — Before noon on the day of a statewide primary or general election, the chairman of the county board of elections shall prepare for each precinct a list, in quadruplicate, of all applications for military absentee ballots which he has received, entered in the register of military absentee ballot applications and ballots issued, and approved. This list shall be entitled "List of Applicants for Military Absentee Ballots to Whom Ballots Have Been Issued." By the name of each applicant whose executed military absentee ballots have been returned to him the chairman shall enter the notation "Ballots Returned." At the end of the list the chairman shall execute the following certificate under oath:

"State of North Carolina
County of . . . . . .

I, ..., chairman of the . . . . . county board of elections, do hereby certify that the foregoing is a list of all applications filed with me for absentee ballots under the provisions of the Military Absentee Ballot Law to be voted in

the . . . . . [insert either 'primary' or 'general,' whichever is appropriate] election on the . . . . . day of . . . ., 19. . . I further certify:

1. That I have issued military absentee ballots to no other persons than those listed therein, whose original applications are herewith filed with the State Board of Elections;

2. That I have not delivered military absentee ballots to any person other than the voter himself, by mail or in person;

3. That I have received executed ballots from those absentee voters whose names are marked on this list with the notation 'Ballots Returned,' whose unopened container-return envelopes have been delivered to the county board of elections;

4. That this list constitutes the only precinct registration of military absentee voters whose names have not heretofore been entered on the regular registration of the appropriate precinct.

This the . . . . . day of . . . . ., 19. . .

. . . . . .

(Signature of chairman of county board of elections)

Sworn to and subscribed before me this . . . . day of . . . ., 19. . .

Witness my hand and official seal.

. . . . . .

(Signature of officer administering oath)

. . . . . .

(Title of officer)"

(b) Distribution of List. — Before noon on the day of the primary or general election in which the military absentee ballots are to be cast, the chairman of the county board of elections shall send one copy of the list required by this section together with the original of all applications for military absentee ballots received by him, by registered mail to the chairman of the State Board of Elections at Raleigh, North Carolina. The chairman shall deliver two copies of the list to the appropriate precinct registrar and retain one copy for the county board. The registrar shall post one copy in the voting place and retain one copy until all challenges of absentee ballots have been heard by the county board of elections. Challenges shall be made as provided in G.S. 163-89.

After the last person has voted, the registrar shall call the name of each person recorded on the list and enter an "A" in the appropriate place on the voter's permanent registration record, if any. If such person is already recorded as voting in that election, the registrar shall enter a challenge.

(c) List Constitutes Registration. — The "List of Applicants for Military Absentee Ballots to Whom Ballots Have Been Issued" prescribed by this section, when delivered to the registrars of the various precincts, shall constitute the only precinct registration of the military absentee voters listed thereon whose names are not already entered in the registration records of the appropriate precinct. Registrars shall not add the names of persons listed on the military absentee list to the regular registration books of their precincts.

(d) Counting Ballots, Hearing Challenges. — The county board of elections shall count military ballots as provided for civilian absentee ballots in G.S. 163-234, and shall hear challenges as provided in G.S. 163-89. (1941, c. 346, ss. 7-10, 12, 13; 1943, c. 503, ss. 4, 5; 1963, c. 457, s. 15; 1967, c. 775, s. 1; 1973, c. 536, s. 2.)

§ 163-252: Repealed by Session Laws 1973, c. 536, s. 5.

§ 163-253. Article inapplicable to persons after change of status; reregistration required. — Upon discharge from the armed forces of the United States or termination of any other status qualifying him to register and vote by absentee ballot under the provisions of this Article, the voter shall not be entitled to vote by military absentee ballot, and if he was registered under the

provisions of this Article his registration shall become void and he shall be required to register under the provisions of Article 7 before being entitled to vote in any primary or election. (1943, c. 503, s. 12; 1967, c. 775, s. 1.)

§§ 163-254 to 163-258: Reserved for future codification purposes.

SUBCHAPTER VIII. REGULATION OF ELECTION CAMPAIGNS.

ARTICLE 22.

Corrupt Practices and Other Offenses against the Elective Franchise.

§§ 163-259 to 163-268: Repealed by Session Laws 1975, c. 565, s. 8.

§ 163-269. Violations by corporations. — It shall be unlawful for any corporation doing business in this State, either domestic or foreign charter, directly or indirectly to make any contribution or expenditure in aid or in behalf of any candidate or campaign committee in any primary or election held in this State, or for any political purpose whatsoever, or for the reimbursement or indemnification of any person for money or property so used, or for any contribution or expenditure so made; or for any officer, director, stockholder, attorney or agent of any corporation to aid, abet, advise or consent to any such contribution or expenditure, or for any person to solicit or knowingly receive any such contribution or expenditure.

Any officer, director, stockholder, attorney or agent of any corporation aiding or abetting in any contribution or expenditure made in violation of this section shall, in addition to being guilty of a misdemeanor as hereinafter set out, be liable to such corporation for the amount of such contribution or expenditure, and the same may be recovered of him upon suit by any stockholder thereof. Any person violating this section shall be guilty of a misdemeanor and upon conviction shall be fined or imprisoned, or both, in the discretion of the court. (1931, c. 348, s. 9; 1951, c. 983, s. 1; 1967, c. 775, s. 1.)

§ 163-270. Using funds of insurance companies for political purposes. — No insurance company or association, including fraternal beneficiary associations, doing business in this State shall, directly or indirectly, pay or use, or offer, consent or agree to pay or use, any money or property for or in aid of any political party, committee or organization, or for or in aid of any corporation, joint-stock company, or other association organized or maintained for political purposes, or for or in aid of any candidate for political office or for nomination for such office, or for any political purpose whatsoever, or for the reimbursement or indemnification of any person for money or property so used. An officer, director, stockholder, attorney or agent for any corporation or association which violates any of the provisions of this section, who participates in, aids, abets, advises or consents to any such violation, and any person who solicits or knowingly receives any money or property in violation of this section, shall be guilty of a misdemeanor, and shall be punished by imprisonment for not more than one year and a fine of not more than one thousand dollars ($1,000).

Any officer aiding or abetting in any contribution made in violation of this section shall be liable to the company or association for the amount so contributed. The Commissioner of Insurance may revoke the license of any company violating this section. No person shall be excused from attending and testifying, or producing any books, papers or other documents before any court or magistrate, upon any investigation, proceeding or trial for a violation of any of the provisions of this section, upon the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate or degrade him; but no person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter or thing

concerning which he may so testify or produce evidence, documentary or otherwise, and no testimony so given or produced shall be used against him upon criminal investigation or proceeding. (1907, c. 121; C. S., s. 4199; 1967, c. 775, s. 1.)

§ 163-271. Intimidation of voters by officers made misdemeanor. — It shall be unlawful for any person holding any office, position, or employment in the State government, or under and with any department, institution, bureau, board, commission, or other State agency, or under and with any county, city, town, district, or other political subdivision, directly or indirectly, to discharge, threaten to discharge, or cause to be discharged, or otherwise intimidate or oppress any other person in such employment on account of any vote such voter or any member of his family may cast, or consider or intend to cast, or not to cast, or which he may have failed to cast, or to seek or undertake to control any vote which any subordinate of such person may cast, or consider or intend to cast, or not to cast, by threat, intimidation, or declaration that the position, salary, or any part of the salary of such subordinate depends in any manner whatsoever, directly or indirectly, upon the way in which subordinate or any member of his family casts, or considers or intends to cast, or not to cast his vote, at any primary or election. Any person violating this section shall be guilty of a misdemeanor and punished by fine or imprisonment, or both, in the discretion of the court. (1933, c. 165, s. 25; 1967, c. 775, s. 1.)

§ 163-272: Repealed by Session Laws 1971, c. 872, s. 3.

§ 163-273. Offenses of voters; interference with voters; penalty. — (a) Any person who shall, in connection with any primary or election in this State, do any of the acts and things declared in this section to be unlawful, shall be guilty of a misdemeanor, and upon conviction shall be fined or imprisoned, or both, in the discretion of the court. It shall be unlawful:

(1) For a voter, except as otherwise provided in this Chapter, to allow his ballot to be seen by any person.

(2) For a voter to take or remove, or attempt to take or remove, any ballot from the voting enclosure.

(3) For any person to interfere with, or attempt to interfere with, any voter when inside the voting enclosure.

(4) For any person to interfere with, or attempt to interfere with, any voter when marking his ballots.

(5) For any voter to remain longer than the specified time allowed by this Chapter in a voting booth, after being notified that his time has expired.

(6) For any person to endeavor to induce any voter, while within the voting enclosure, before depositing his ballots, to show how he marks or has marked his ballots.

(7) For any person to aid, or attempt to aid, any voter by means of any mechanical device, or any other means whatever, while within the voting enclosure, in marking his ballots.

(b) Election officers shall cause any person committing any of the offenses set forth in subsection (a) of this section to be arrested and shall cause charges to be perferred against the person so offending in a court of competent jurisdiction. (1929, c. 164, s. 29; 1967, c. 775, s. 1.)

§ 163-274. Certain acts declared misdemeanors. — Any person who shall, in connection with any primary or election in this State, do any of the acts and things declared in this section to be unlawful, shall be guilty of a misdemeanor, and upon conviction shall be fined or imprisoned, or both, in the discretion of the court. It shall be unlawful:

(1) For any person to fail, as an officer or as a judge or registrar of a primary or election, or as a member of any board of elections, to prepare

the books, ballots, and return blanks which it is his duty under the law to prepare, or to distribute the same as required by law, or to perform any other duty imposed upon him within the time and in the manner required by law;

(2) For any person to continue or attempt to act as a judge or registrar of a primary or election, or as a member of any board of elections, after having been legally removed from such position and after having been given notice of such removal;

(3) For any person to break up or by force or violence to stay or interfere with the holding of any primary or election, to interfere with the possession of any ballot box, election book, ballot, or return sheet by those entitled to possession of the same under the law, or to interfere in any manner with the performance of any duty imposed by law upon any election officer or member of any board of elections;

(4) For any person to be guilty of any boisterous conduct so as to disturb any member of any election board or any registrar or judge of election in the performance of his duties as imposed by law;

(5) For any person to bet or wager any money or other thing of value on any election;

(6) For any person, directly or indirectly, to discharge or threaten to discharge from employment, or otherwise intimidate or oppose any legally qualified voter on account of any vote such voter may cast or consider or intend to cast, or not to cast, or which he may have failed to cast;

(7) For any person to publish in a newspaper or pamphlet or otherwise, any charge derogatory to any candidate or calculated to affect the candidate's chances of nomination or election, unless such publication be signed by the party giving publicity to and being responsible for such charge;

(8) For any person to publish or cause to be circulated derogatory reports with reference to any candidate in any primary or election, knowing such report to be false or in reckless disregard of its truth or falsity, when such report is calculated or intended to affect the chances of such candidate for nomination or election;

(9) For any person to give or promise, in return for political support or influence, any political appointment or support for political office;

(10) For any chairman of a county board of elections or other returning officer to fail or neglect, willfully or of malice, to perform any duty, act, matter or thing required or directed in the time, manner and form in which said duty, matter or thing is required to be performed in relation to any primary, general or special election and the returns thereof;

(11) For any clerk of the superior court to refuse to make and give to any person applying in writing for the same a duly certified copy of the returns of any primary or election or of a tabulated statement to a primary or election, the returns of which are by law deposited in his office, upon the tender of the fees therefor;

(12) For any person willfully and knowingly to impose upon any blind or illiterate voter a ballot in any primary or election contrary to the wish or desire of such voter, by falsely representing to such voter that the ballot proposed to him is such as he desires. (1931, c. 348, s. 9; 1951, c. 983, s. 1; 1967, c. 775, s. 1.)

Indictment for Disturbing Registrar by Boisterous Conduct. — An indictment charging that defendant unlawfully and willfully by his own boisterous and violent conduct disturbed a named registrar while in the performance of her duties in examining a named applicant for registration was insufficient, although charging the offense in the words of the statute, since

such words did not in themselves inform the accused of the specific offense of which he was accused so as to enable him to prepare his defense or plead his conviction or acquittal as a bar to further prosecution for the same offense. State v. Walker, 249 N.C. 35, 105 S.E.2d 101 (1958).

§ 163-275. Certain acts declared felonies. — Any person who shall, in connection with any primary, general or special election held in this State, do any of the acts or things declared in this section to be unlawful, shall be guilty of a felony and upon conviction shall be imprisoned in the State's prison not less than four months or fined not less than one thousand dollars ($1,000), or both, in the discretion of the court. It shall be unlawful:

(1) For any person fraudulently to cause his name to be placed upon the registration books of more than one election precinct or fraudulently to cause or procure his name or that of any other person to be placed upon the registration books in any precinct when such registration in that precinct does not qualify such person to vote legally therein, or to impersonate falsely another registered voter for the purpose of voting in the stead of such other voter;

(2) For any person to give or promise or request or accept at any time, before or after any such primary or election, any money, property or other thing of value whatsoever in return for the vote of any elector;

(3) For any person who is an election officer, a member of an election board or other officer charged with any duty with respect to any primary or election, knowingly to make any false or fraudulent entry on any election book or any false or fraudulent returns, or knowingly to make or cause to be made any false statement on any ballot, or to do any fraudulent act or knowingly and fraudulently omit to do any act or make any report legally required of such person;

(4) For any person knowingly to swear falsely with respect to any matter pertaining to any primary or election;

(5) For any person convicted of a crime which excludes him from the right of suffrage, to vote at any primary or election without having been restored to the right of citizenship in due course and by the method provided by law;

(6) For any person to take corruptly the oath prescribed for voters, and the person so offending shall be guilty of perjury;

(7) For any person with intent to commit a fraud to register or vote at more than one precinct or more than one time, or to induce another to do so, in the same primary or election, or to vote illegally at any primary or election;

(8) For any registrar or any clerk or copyist to make any entry or copy with intent to commit a fraud;

(9) For any election official or other officer or person to make, certify, deliver or transmit any false returns of any primary or election, or to make any erasure, alteration, or conceal or destroy any election ballot, book, record, return or process with intent to commit a fraud;

(10) For any person to assault any registrar, judge of election or other election officer while in the discharge of his duty in the registration of voters or in conducting any primary or election;

(11) For any person, by threats, menaces or in any other manner, to intimidate or attempt to intimidate any registrar, judge of election or other election officer in the discharge of his duties in the registration of voters or in conducting any primary or election;

(12) For any registrar, judge of election, member of a board of elections, assistant, marker, or other election official, directly or indirectly, to seek, receive or accept money or the promise of money, the promise of

office, or other reward or compensation from a candidate in any primary or election or from any source other than such compensation as may be provided by law for his services;

(13) For any person falsely to make or present any certificate or other paper to qualify any person fraudulently as a voter, or to attempt thereby to secure to any person the privilege of voting. (1901, c. 89, s. 13; Rev., s. 3401; 1913, c. 164, s. 2; C. S., s. 4186; 1931, c. 348, s. 10; 1943, c. 543; 1965, c. 899; 1967, c. 775, s. 1.)

§ 163-276. Convicted officials; removal from office. — Any public official who shall be convicted of violating any provision of Article 13 or 22 of this Chapter, in addition to the punishment provided by law, shall be removed from office by the judge presiding, and, if the conviction is for a felony, shall be disqualified from voting until his citizenship is restored as provided by law, and if the conviction is for a misdemeanor, he shall be disqualified from voting for a period of two years. (1949, c. 504; 1967, c. 775, s. 1.)

§ 163-277. Compelling self-incriminating testimony; person so testifying excused from prosecution. — No person shall be excused from attending or testifying or producing any books, papers or other documents before any court or magistrate upon any investigation, proceeding or trial for the violation of any of the provisions of this Article, upon the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate or degrade him, but such person may be subpoenaed and required to testify by and for the State relative to any offense arising under the provisions of this Article; but such person shall not be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter or thing concerning which he may so testify or produce evidence, documentary or otherwise, and no testimony so given or produced shall be used against him upon any criminal investigation or proceeding, but such person so compelled to testify with respect to any acts of his own shall be immune from prosecution on account thereof, and shall be pardoned for any violation of law about which such person shall be so required to testify. (1931, c. 348, s. 11; 1967, c. 775, s. 1.)

Editor's Note. — For a general discussion of the limits to self-incrimination, see 15 N.C.L. Rev. 229.

§ 163-278. Duty of investigating and prosecuting violations of this Article. — It shall be the duty of the State Board of Elections and the district attorneys to investigate any violations of this Article, and the Board and district attorneys are authorized and empowered to subpoena and compel the attendance of any person before them for the purpose of making such investigation. The State Board of Elections and the district attorneys are authorized to call upon the Attorney General to furnish assistance by the State Bureau of Investigation in making the investigations of such violations. The State Board of Elections shall furnish the district attorney a copy of its investigation. The district attorney shall initiate prosecution and prosecute any violations of this Article. The provisions of G.S. 163-278.28 shall be applicable to violations of this Article. (1931, c. 348, s. 12; 1967, c. 775, s. 1; 1975, c. 565, s. 7.)

Editor's Note. — The 1975 amendment rewrote this section, which formerly made it the duty of the Attorney General and solicitors and prosecuting attorneys to prosecute violations of this Article.

§§ 163-278.1 to 163-278.5: Reserved for future codification purposes.

ARTICLE 22A.

Regulating Contributions and Expenditures in Political Campaigns.

§ 163-278.6. Definitions. — When used in this Article:

(1) The term "board" means the State Board of Elections with respect to all candidates for State and multi-county district offices and the county board of elections with respect to all candidates for single-county district, county and municipal offices.

(2) The term "broadcasting station" means any commercial radio or television station or community antenna radio or television station.

(3) The term "business entity" means any partnership, joint venture, joint-stock company, company, firm, or any commercial or industrial establishment or enterprise.

(4) The term "candidate" means any individual who has filed a notice of candidacy for public office listed in G.S. 163-278.6(18) with the proper board of elections.

(5) The term "communications media" or "media" means broadcasting stations, carrier current stations, newspapers, magazines, periodicals, outdoor advertising facilities, billboards, newspaper inserts, and any person or individual whose business is polling public opinion, analyzing or predicting voter behavior or voter preferences.

(6) The terms "contribute" or "contribution" mean any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, gift, pledge or subscription of money or anything of value whatsoever, from any person or individual, whether or not made in an election year, and any contract, agreement, promise or other obligation, whether or not legally enforceable, to make a contribution, in support of or in opposition to any candidate, political committee, or political party. These terms include, without limitation, such contributions as labor or personal services, postage, publication of campaign literature or materials, in-kind transfers, loans or use of any supplies, office machinery, vehicles, aircraft, office space, or similar or related services, goods, or personal or real property. These terms also include, without limitation, the proceeds of sale of services, campaign literature and materials, wearing apparel, tickets or admission prices to campaign events such as rallies or dinners, and the proceeds of sale of any campaign-related services or goods notwithstanding the foregoing meanings of "contribution," the word shall not be construed to include services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate or political committee.

(7) The term "corporation" means any corporation doing business in this State under either domestic or foreign charter, and includes a corporate subsidiary and any business entity in which a corporation participates or is a stockholder, a partner or a joint venturer.

(8) The term "election" means any general or special election, a first or second primary, a run-off election, or an election to fill a vacancy. The term "election" shall not include any local or statewide referendum or bond election unless the act calling for such local or statewide referendum or bond election specifically states that such statewide bond election or referendum shall be covered by the terms and provisions of this Article.

(9) The terms "expend" or "expenditure" mean any purchase, advance, conveyance, deposit, distribution, transfer of funds, loan, payment, gift, pledge or subscription of money or anything of value whatsoever, from any person or individual, whether or not made in an election year, and any contract, agreement, promise or other obligation, whether or not legally enforceable, to make an expenditure, in support of or in opposition to any candidate, political committee, or political party.

(10) The term "individual" means a single individual or more than one individual.

(11) The term "insurance company" means any person whose business is making or underwriting contracts of insurance, and includes mutual insurance companies, stock insurance companies, and fraternal beneficiary associations.

(12) The term "labor union" means any union, organization, combination or association of employees or workmen formed for the purposes of securing by united action favorable wages, improved labor conditions, better hours of labor or work-related benefits, or for handling, processing or righting grievances by employees against their employers, or for representing employees collectively or individually in dealings with their employers. The term includes any unions to which Article 10, Chapter 95 applies.

(13) The term "person" means any business entity, corporation, insurance company, labor union, or professional association.

(14) The term "political committee" means a combination of two or more individuals, or any person, committee, association, or organization, the primary or incidental purpose of which is to support or oppose any candidate or political party or to influence or attempt to influence the result of an election or which accepts contributions or makes expenditures for the purpose of influencing or attempting to influence the nomination or election of any candidate at any election. The term includes, without limitation, any political party's State, county or district executive committee.

(15) The term "political party" means any political party organized or operating in this State, whether or not that party is recognized under the provisions of G.S. 163-96.

(16) The term "political purpose" means any purpose in aid of seeking to influence an election or a political party or candidate.

(17) The term "professional association" means any trade association, group, organization, association, or collection of persons or individuals formed for the purposes of advancing, representing, improving, furthering or preserving the interests of persons or individuals having a common vocation, profession, calling, occupation, employment, or training.

(18) The term "public office" means any office filled by election by the people on a statewide, county, municipal or district basis, and this Article shall be applicable to such elective offices whether the election therefor is partisan or nonpartisan, provided candidates for municipal and county offices in those municipalities and counties having less than 50,000 population, according to the most recent decennial census figures, shall not be required to file reports required by this Article.

(19) The term "treasurer" means an individual appointed by a candidate or political committee as provided in G.S. 163-278.7. (1973, c. 1272, s. 1; 1975, c. 798, ss. 5, 6.)

Editor's Note. — The 1975 amendment rewrote subdivisions (1) and (18).

§ 163-278.7. Appointment of political treasurers. — (a) Each candidate and political committee shall appoint a treasurer and, under verification, report the name and address of the treasurer to the Board. A candidate may appoint himself or any other individual, including any relative except his spouse, as his treasurer, and, upon failure to file report designating a treasurer, the candidate shall be concluded to have appointed himself as treasurer and shall be required to personally fulfill the duties and responsibilities imposed upon the appointed treasurer and subject to the penalties and sanctions hereinafter provided.

(b) Each appointed treasurer shall file with the Board at the time required by G.S. 163-278.9(a)(1) a statement of organization that includes:

(1) The name, address and purpose of the candidate or political committee;
(2) The names, addresses, and relationships of affiliated or connected candidates, political committees, political parties, or similar organizations;
(3) The territorial area, scope, or jurisdiction of the candidate or political committee;
(4) The name, address, and position with the candidate or political committee of the custodian of books and accounts;
(5) The name and party affiliation of the candidate(s) whom the committee is supporting or opposing, and the office(s) involved;
(6) The name of the political committee or political party being supported or opposed if the committee is supporting the ticket of a particular political committee or political party;
(7) A listing of all banks, safety deposit boxes, or other depositories used, including the names and numbers of all accounts maintained and the numbers of all such safety deposit boxes used;
(8) The name or names and address or addresses of any assistant treasurers appointed by the treasurer. Such assistant treasurers shall be authorized to act in the name of the treasurer, who shall be fully responsible for any act or acts committed by an assistant treasurer, and the treasurer shall be fully liable for any violation of this Article committed by any assistant treasurer; and
(9) Any other information which might be requested by the Board that deals with the campaign organization of the candidate.

(c) Any change in information previously submitted in a statement of organization shall be reported to the Board within a 10-day period following the change.

(d) A candidate or political committee may remove his or its treasurer. In case of the death, resignation or removal of his or its treasurer before compliance with all obligations of a treasurer under this Article, such candidate or political committee shall appoint a successor within 10 days of the vacancy of such office, and certify the name and address of the successor in the manner provided in the case of an original appointment. (1973, c. 1272, s. 1.)

§ 163-278.8. Detailed accounts to be kept by political treasurers. — (a) The treasurer of each candidate and political committee shall keep detailed accounts, current within not more than seven days after the date of receiving a contribution or making an expenditure, of all contributions received and all expenditures made by or on behalf of the candidate or political committee.

(b) Accounts kept by the treasurer of a candidate or political committee or the accounts of a treasurer or political committee at any bank or other depository listed under G.S. 163-278.7(b)(7), may be inspected, before or after the election to which the accounts refer, by a member, designee, agent, attorney or employee of the Board who is making an investigation pursuant to G.S. 163-278.22.

(c) A treasurer may not accept a contribution of more than one hundred dollars ($100.00) from a nonresident of this State unless the contribution is

accompanied by a written statement setting forth the name and address of each contributor.

(d) A treasurer shall not be required to report the name of any resident of this State who makes a total contribution of fifty dollars ($50.00) or less but he shall instead report the fact that he has received a total contribution of fifty dollars ($50.00) or less, the amount of the contribution, and the date of receipt. If a treasurer receives contributions of fifty dollars ($50.00) or less, each at a single event, he may account for and report the total amount received at that event, the date and place of the event, the nature of the event, and the approximate number of people at the event. With respect to the proceeds of sale of services, campaign literature and materials, wearing apparel, tickets or admission prices to campaign events such as rallies or dinners, and the proceeds of sale of any campaign-related services or goods, if the price or value received for any single service or goods exceeds fifty dollars ($50.00), the treasurer shall account for and report the name of the individual paying for such services or goods, the amount received, and the date of receipt, but if the price or value received for any single service or item of goods does not exceed fifty dollars ($50.00), the treasurer may report only those services or goods rendered or sold at a value that does not exceed fifty dollars ($50.00), the nature of the services or goods, the amount received in the aggregate for the services or goods, and the date of the receipt.

(e) All expenditures for media expenses shall be made by check only. All media expenditures in any amount shall be accounted for and reported individually and separately.

(f) All expenditures for nonmedia expenses (except postage) of more than twenty-five dollars ($25.00) shall be made by check only. All expenditures for nonmedia expenses of twenty-five dollars ($25.00) or less may be made by check or by cash payment. All nonmedia expenditures of more than twenty-five dollars ($25.00) shall be accounted for and reported individually and separately, but expenditures of less than twenty-five dollars ($25.00) may be accounted for and reported in an aggregated amount, but in that case the treasurer shall account for and report that he made expenditures of less than twenty-five dollars ($25.00) each, the amounts, dates, and the purposes for which made. (1973, c. 1272, s. 1.)

§ 163-278.9. Statements filed with Board. — (a) The treasurer of each candidate and of each political committee shall file under verification with the Board the following reports:

(1) Organizational Report. — The appointment of the treasurer as required by G.S. 163-278.7(a), the statement of organization required by G.S. 163-278.7(b), and a report of all contributions and expenditures not previously reported shall be filed with the Board no later than the tenth day following the day the candidate files his notice of candidacy or the tenth day following the organization of the political committee, whichever occurs first.

(2) Preprimary Report. — The treasurer shall file a report with the Board no later than the tenth day preceding the primary election.

(3) Postprimary Report(s). — The treasurer shall file a report with the Board no later than the tenth day after the primary election. If there is a second primary or runoff election, a report shall be filed no later than the tenth day after the second primary or runoff election by candidates or committees involved therein.

(4) Preelection Report. — The treasurer shall file a report with the Board not later than the tenth day preceding the general election.

(5) Final Report. — The treasurer shall file a final report no later than the tenth day after the general election. If the final report fails to disclose a final accounting of all contributions and expenditures, a supplemental final report shall be filed no later than January 7, after the general

election, and shall be current through December 31 after the general election.

(6) Annual Reports. — If contributions are received or expenditures made during a calendar year for which no reports are otherwise required by this Article, any and all such contributions and expenditures shall be reported by January 7 of the following year.

(b) Except as otherwise provided in this Article, each report shall be current within seven days prior to the date the report is due and shall list all contributions received and expenditures made which have not been previously reported.

(c) In addition to the primary reports required above, a final report shall be filed by the treasurer of each candidate and the treasurer of each committee supporting only candidates eliminated in primary elections. Such report of contributions and expenditures shall be filed with the Board no later than 45 days after the primary election in which the candidate or candidates are eliminated. (1973, c. 1272, s. 1; 1975, c. 565, s. 1.)

Editor's Note. — The 1975 amendment rewrote this section.

§ 163-278.10. Procedure for inactive candidate or committee. — If no contribution is received or expenditure made by or on behalf of a candidate or political committee during a period described in G.S. 163-278.9, the treasurer shall file with the Board, at the time required by G.S. 163-278.9, a statement to that effect and it shall not be required that any inactive candidate or committee so filing a report of inactivity file any additional reports required by G.S. 163-278.9 so long as the candidate or committee remains inactive. (1973, c. 1272, s. 1.)

§ 163-278.11. Contents of treasurer's statement of receipts and expenditures. — (a) Statements filed pursuant to provisions of this Article shall set forth the following:

(1) Contributions — A list of all contributions required to be listed under G.S. 163-278.8 received by or on behalf of a candidate or political committee. The statement shall list the name and complete mailing address of each contributor, the amount contributed, and the date such contribution was received. The total sum of all contributions to date shall be plainly exhibited. Forms for required reports shall be prescribed by the Board.

(2) Expenditures — A list of all expenditures required under G.S. 163-278.8 made by or on behalf of a candidate or political committee. The statement shall list the name and complete mailing address of each payee, the amount paid, the purpose, and the date such payment was made. The total sum of all expenditures to date shall be plainly exhibited. Forms for required reports shall be prescribed by the Board.

(b) Statements shall reflect anything of value paid for or contributed by any person or individual, both as a contribution and expenditure. (1973, c. 1272, s. 1.)

§ 163-278.12. Contributions and expenditures by an individual other than a candidate. — Subject to G.S. 163-278.16(e) and 163-278.14, it shall be permissible for an individual other than a candidate to make contributions or expenditures in support of, or in opposition to, any candidate or political committee other than by contribution to a candidate or political committee. In the event an individual makes contributions or expenditures, other than by contribution to a candidate or political committee, in excess of one hundred dollars ($100.00), then, within 10 days after making such a contribution or

expenditure, he shall file a statement of such contribution or expenditure with the Board in accordance with the terms and conditions of G.S. 163-278.11. (1973, c. 1272, s. 1.)

§ 163-278.13. Limitation on contributions. — (a) No individual or political committee shall contribute to any candidate or other political committee any money or make any other contribution in any election in excess of three thousand dollars ($3,000) for that election.

(b) No candidate or political committee shall accept or solicit any contribution from any individual or other political committee of any money or any other contribution in any election in excess of three thousand dollars ($3,000) for that election.

(c) Notwithstanding the provisions of subsections (a) and (b) of this section, it shall be lawful for a candidate or a candidate's spouse, parents, brothers and sisters to make a contribution to the candidate or to the candidate's treasurer of any amount of money or to make any other contribution in any election in excess of three thousand dollars ($3,000) for that election.

(d) For the purposes of this section, the term "an election" means any primary, second primary, or general election in which the candidate or political committee may be involved, without regard to whether the candidate is opposed or unopposed in the election.

(e) This section shall not apply to any State, district or county executive committee of any political party. For the purposes of this section only, the term "political party" means only those political parties officially recognized under G.S. 163-96.

(f) Any individual, candidate or political committee who violates the provisions of this section is guilty of a misdemeanor and shall be fined not more than one thousand dollars ($1,000), or imprisoned for not more than one year, or be both fined and imprisoned. (1973, c. 1272, s. 1.)

§ 163-278.14. No contributions in names of others; no anonymous contributions; contributions in excess of one hundred dollars. — (a) No candidate, political committee, political party, or treasurer shall knowingly accept any contribution made by any individual or person in the name of another individual or person or made anonymously except as provided in G.S. 163-278.8(d). If a candidate, political committee, political party, or treasurer receives any such contributions, he shall pay the money over to the Board, by check, and all such moneys received by the Board shall be deposited in the general fund of the State of North Carolina.

(b) No individual or person shall give, and no candidate, committee or treasurer shall accept, any monetary contribution in excess of one hundred dollars ($100.00) unless such contribution be in the form of a check, draft, or money order. (1973, c. 1272, s. 1.)

§ 163-278.15. No acceptance of contributions made by corporations, foreign and domestic. — No candidate, political committee, political party, or treasurer shall accept any contribution made by any corporation, foreign or domestic, regardless of whether such corporation does business in the State of North Carolina. (1973, c. 1272, s. 1.)

§ 163-278.16. Regulations regarding contributions, expenditures and media advertising. — (a) Except as provided in G.S. 163-278.12, no contribution may be received or expenditure made by or on behalf of a candidate or political committee:

(1) Until the candidate or political committee appoints a treasurer and certifies the name and address of the treasurer to the Board; and

(2) Unless the contribution is received or the expenditure made by or through the treasurer of the candidate or political committee.

(b) to (e) Repealed by Session Laws 1975, c. 565, s. 2.

(f) No advertisement of any kind may be made by a treasurer, candidate, political committee or individual in the case of the media unless it bears the legend or includes the statement (Paid for or sponsored) by . . . . . (Name of candidate, political committee, individual). (1973, c. 1272, s. 1; 1975, c. 565, s. 2.)

Editor's Note. — The 1975 amendment repealed subsections (b), (c), (d) and (e) and combined the substance of those subsections in present subsection (f).

§ 163-278.17. Statements of media receiving campaign expenditures. — (a) Each media shall file a report with the Board, no later than the tenth day after the first primary, and within 10 days after a second primary. Each media shall file a report with the Board no later than the tenth day after the general election, and, additionally, shall file a supplemental report no later than January 7 after the general election which shall be current as of December 31 after the general election. Each report shall show all expenditures not shown on any prior report required to be filed by the media under this Article, and each report shall include the following information:

(1) The name and address of each candidate, treasurer or individual making or authorizing an expenditure for media purposes;

(2) The candidate, political committee or political party on whose behalf the expenditure was made or authorized and the political office(s) with respect to which the candidate, treasurer or individual made the expenditure; and

(3) With respect to each candidate, treasurer or individual making or authorizing an expenditure, the amount and date of each expenditure and the total amount of all expenditures from each candidate, treasurer or individual.

Except as otherwise provided, the media reports shall be current within seven days of the date the report is due. No report shall be necessary if no expenditures have been made in the period for which the report is due.

(b) Each media shall require written authority for each expenditure from each candidate, treasurer or individual making or authorizing an expenditure.

A candidate may authorize advertisement paid for by a treasurer appointed by the candidate. All authorizations of expenditures signed by a candidate, treasurer or individual shall be deemed public records and copies of said authorizations shall be available for inspection during normal business hours at the office(s) of the media making the publication or broadcast nearest to the place(s) of publication or broadcast. (1973, c. 1272, s. 1; 1975, c. 565, s. 3.)

Editor's Note. — The 1975 amendment rewrote the introductory language and added the last paragraph in subsection (a) and added the second paragraph of subsection (b).

§ 163-278.18. Normal commercial charges for political advertising. — No media and no supplier of materials or services shall charge or require a candidate, treasurer, political party, or individual to pay a charge for advertising, materials, space, or services purchased for or in support of or in opposition to any candidate, political committee, or political party that is higher than the normal charge it requires other customers to pay for comparable advertising, materials, space, or services purchased for other purposes. (1973, c. 1272, s. 1.)

§ 163-278.19. Violations by corporations, business entities, labor unions, professional associations and insurance companies. — (a) Except as provided

in G.S. 163-278.19(b), it shall be unlawful for any corporation, business entity, labor union, professional association or insurance company directly or indirectly:

(1) To make any contribution or expenditure (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business) in aid or in behalf of or in opposition to any candidate or political committee in any election or for any political purpose whatsoever;

(2) To pay or use or offer, consent or agree to pay or use any of its money or property for or in aid of or in opposition to any candidate or political committee or for or in aid of any person, organization or association organized or maintained for political purposes, or for or in aid of or in opposition to any candidate or political committee or for any political purpose whatsoever; and

(3) To reimburse or indemnify any person or individual for money or property so used or for any contribution or expenditure so made;

and it shall be unlawful for any officer, director, stockholder, attorney, agent or member of any corporation, business entity, labor union, professional association or insurance company to aid, abet, advise or consent to any such contribution or expenditure, or for any person or individual to solicit or knowingly receive any such contribution or expenditure. Any officer, director, stockholder, attorney, agent or member of any corporation, business entity, labor union, professional association or insurance company aiding or abetting in any contribution or expenditure made in violation of this section shall be guilty of a misdemeanor as hereinafter set out, and shall in addition be liable to such corporation, business entity, labor union, professional association or insurance company for the amount of such contribution or expenditure, and the same may be recovered of him upon suit by any stockholder or member thereof.

(b) It shall, however, be lawful for any corporation, business entity, labor union, professional association or insurance company to communicate with its employees, stockholders or members and their families on any subject; to conduct nonpartisan registration and get-out-the-vote campaigns aimed at their employees, stockholders, or members and their families; or for officials and employees of any corporation, insurance company or business entity or the officials and members of any labor union or professional association to establish, administer, contribute to, and to receive and solicit contributions to a separate segregated fund to be utilized for political purposes, except as provided in G.S. 163-278.20, and those individuals shall be deemed to become and be a political committee as that term is defined in G.S. 163-278.6(14); provided, however, that it shall be unlawful for any such fund to make a contribution or expenditure by utilizing contributions secured by physical force, job discrimination, financial reprisals or the threat of force, job discrimination or financial reprisals, or by dues, fees, or other moneys required as a condition of membership or employment or as a requirement with respect to any terms or conditions of employment, including, without limitation, hiring, firing, transferring, promoting, demoting, or granting seniority or employment-related benefits of any kind, or by moneys obtained in any commercial transaction whatsoever.

(c) A violation of this section shall be punishable by a fine of not less than one hundred dollars ($100.00) nor more than five thousand dollars ($5,000), or imprisonment of not more than one year, or by both fine and imprisonment. In addition, the acceptance of any contribution, expenditure, payment, reimbursement, indemnification, or anything of value under subsection (a) shall be unlawful and the defendant shall be subject to the same punishment as set forth in this subsection.

(d) Whenever a candidate or treasurer is an officer, director, stockholder, attorney, agent, or employee of any corporation, business entity, labor union, professional association or insurance company, and by virtue of his position therewith uses office space and communication facilities of the corporation,

business entity, labor union, professional association or insurance company in the normal and usual scope of his employment, the fact that the candidate or treasurer receives telephone calls, mail, or visits in such office which relates to activities prohibited by this Article shall not be considered a violation under this section. (1973, c. 1272, s. 1; 1975, c. 565, s. 6.)

Editor's Note. — The 1975 amendment added subsection (d).

§ 163-278.20. Disclosure before soliciting contributions. — (a) It shall be unlawful for one or more individuals acting in concert, or for any group, committee, club or organization, of any type or nature, of two or more individuals, to solicit, attempt to solicit, or receive contributions for the purpose of supporting a candidate, political committee, or political party without first clearly advising those solicited as follows:

(1) The name of the candidate(s) for whom the contribution will be used; or

(2) The name of the political committee or party for which the funds will be used; or

(3) That a decision will be reached later as to the candidate(s), political committee(s), or political party(ies) to be supported and that the contributions solicited will be expended in a manner and for a purpose to be determined at a future date but no later than 20 days prior to the pending primary or general election.

(b) A violation of this section shall be punishable by a fine not less than one hundred dollars ($100.00) nor more than five thousand dollars ($5,000), or imprisonment of not more than one year, or by both fine and imprisonment. (1973, c. 1272, s. 1.)

§ 163-278.21. Promulgation of policy and administration through State Board of Elections. — The State Board of Elections shall have responsibility, adequate staff, equipment and facilities, for promulgating all necessary regulations, and for the administration of this Article. The State Board of Elections shall empower the Executive Secretary-Director with the responsibility for the administrative operations required to administer this Article and may delegate or assign to him such other duties from time to time by regulations or orders of the State Board of Elections. (1973, c. 1272, s. 1; 1975, c. 798, s. 7.)

Editor's Note. — The 1975 amendment inserted "equipment" in the first sentence, substituted "and for the administration" for "and the administration" in that sentence, substituted "shall empower" for "may empower" near the beginning of the second sentence, substituted "to administer" for "to effect" near the middle of that sentence, substituted "State Board of Elections" for "Board" throughout the section and deleted the former last sentence, which read: "However, the Board shall not delegate the making of regulations to the Executive Secretary-Director or other staff personnel."

§ 163-278.22. Duties of Board. — It shall be the duty and power of the Board:

(1) To prescribe forms of statements and other information required to be filed by this Article, to furnish such forms to the county boards of elections and individuals, media or others required to file such statements and information, and to prepare, publish and distribute or cause to be distributed to all candidates at the time they file notices of candidacy a manual setting forth the provisions of this Article and a prescribed uniform system for accounts required to file statements by this Article;

(2) To accept and file any information voluntarily supplied that exceeds the requirements of this Article;
(3) To develop a filing, coding, and cross-indexing system consonant with the purposes of this Article;
(4) To make statements and other information filed with it available to the public at a charge not to exceed actual cost of copying;
(5) To preserve such statements and other information for a period of five years from date of receipt;
(6) To prepare and publish such reports as it may deem appropriate;
(7) To make investigations to the extent the Board deems necessary with respect to statements filed under the provisions of this Article and with respect to alleged failures to file any statement required under the provisions of this Article, and, upon complaint under oath by any registered voter, with respect to alleged violations of any part of this Article; and
(8) After investigation, to report apparent violations by candidates, political committees, individuals or persons to the proper solicitor (district attorney) as provided in G.S. 163-278.27.
(9) To prescribe and furnish forms of statements and other material to the county boards of elections for distribution to candidates and committees required to be filed with the county boards.
(10) To instruct the chairman and executive secretaries of each county board as to their respective duties and responsibilities relative to the administration of this Article.
(11) To require appropriate certification of delinquent or late filings from the county boards of elections and to execute the same responsibilities relative to such reports as provided in G.S. 163-278.27.
(12) To assist county boards of elections in resolving questions arising from the administration of this Article.
(13) To require county boards of elections to hold such hearings, make such investigations, and make reports to the State Board as the State Board deems necessary in the administration of this Article. (1973, c. 1272, s. 1; 1975, c. 798, s. 8.)

Editor's Note. — The 1975 amendment added subdivisions (9) through (13).

§ 163-278.23. Duties of Executive Secretary-Director of Board. — The Executive Secretary-Director of the Board shall inspect or cause to be inspected each statement filed with the Board under this Article within 10 days after the date it is filed. The Executive Secretary-Director shall advise, or cause to be advised, no more than 15 days and at least five days before each report is due, each candidate or treasurer whose organizational report has been filed, of the specific date each report is due. He shall immediately notify any individual, candidate, treasurer, political committee, or media required to file a statement under this Article if:

(1) It appears that the individual, candidate, treasurer, political committee or media has failed to file a statement as required by law or that a statement filed does not conform to this Article; or
(2) A written complaint is filed under oath with the Board by any registered voter of this State alleging that a statement filed with the Board does not conform to this Article or to the truth or that an individual, candidate, treasurer, political committee or media has failed to file a statement required by this Article.

The Executive Secretary-Director of the Board of Elections shall issue written rulings to candidates and may issue written rulings to the communications media

and political committees, upon request, regarding filing procedures and compliance with this Article. Any such ruling so issued shall specifically refer to this paragraph. If the candidate, communications media, or political committees rely on and comply with the ruling of the Executive Secretary-Director of the Board of Elections, then prosecution on account of the procedure followed pursuant thereto and prosecution for failure to comply with the statute inconsistent with the written ruling of the Executive Secretary-Director of the Board of Elections issued to the candidate involved shall be barred. Nothing in this paragraph shall be construed to prohibit or delay the regular and timely filing of reports. (1973, c. 1272, s. 1; 1975, c. 334; c. 565, s. 4.)

Editor's Note. — The first 1975 amendment added the second paragraph. The second 1975 amendment added the second sentence of the first paragraph.

§ 163-278.24. Statements examined within three months. — Within three months after the date of each election, the Executive Secretary-Director shall examine or cause to be examined each statement filed with the Board under this Article, and, referring to the election, determine whether the statement conforms to law and to the truth. Such examination shall include a comparison of reports and statements submitted by a treasurer and those required from media pursuant to G.S. 163-278.17. (1973, c. 1272, s. 1.)

§ 163-278.25. Issuance of declaration of nomination or certificate of election. — No declaration of nomination and no certificate of election shall be granted to any candidate until the candidate or his treasurer has filed the statements referring to the election he is required to file under this Article. Within 24 hours after reaching a decision that a declaration of nomination or certificate of election should not be granted, the Board shall give written notice of that decision, by telegraph or certified mail, to the candidate and the candidate's treasurer. Failure to grant certification shall not affect a successful candidate's title to an office to which he has been otherwise duly elected. (1973, c. 1272, s. 1.)

§ 163-278.26. Appeals from State Board of Elections; early docketing. — Any candidate for nomination or election who is denied a declaration of nomination or certificate of election, pursuant to G.S. 163-278.25, may, within five days after the action of the Board under that section, appeal to the Superior Court of Wake County for a final determination of any questions of law or fact which may be involved in the Board's action. The cause shall be entitled "In the Matter of the Candidacy of . . . . . ." It shall be placed on the civil docket of that court and shall have precedence over all other civil actions. In the event of an appeal, the chairman of the Board shall certify the record to the clerk of that court within five days after the appeal is noted.

The record on appeal shall consist of all reports filed by the candidate or his treasurer with the Board pursuant to this Article, and a memorandum of the Board setting forth with particularity the reasons for its action in denying the candidate a declaration of nomination or certificate of election. Written notice of the appeal shall be given to the Board by the candidate or his attorney, and may be effected by mail or personal delivery. On appeal, the cause shall be heard de novo. (1973, c. 1272, s. 1.)

§ 163-278.27. Penalty for violations; duty to report and prosecute. — (a) Any individual, candidate, political committee, treasurer, person or media who violates the provisions of G.S. 163-278.7, 163-278.8, 163-278.9, 163-278.10, 163-278.11, 163-278.12, 163-278.14, 163-278.16, 163-278.17, or 163-278.18, is guilty of a misdemeanor and shall be fined not more than one thousand dollars ($1,000)

if an individual, and not more than five thousand dollars ($5,000) if a person other than an individual, or imprisoned for not more than one year, or be both fined and imprisoned.

(b) Whenever the Board has knowledge of or has reason to believe there has been a violation of any section of this Article, it shall report that fact, together with accompanying details, to the following prosecuting authorities:

(1) In the case of a candidate for nomination or election to the State Senate or State House of Representatives: report to the solicitor (district attorney) of the solicitorial district in which the candidate for nomination or election resides;

(2) In the case of a candidate for nomination or election to the office of Governor, Lieutenant Governor, Secretary of State, State Auditor, State Treasurer, State Superintendent of Public Instruction, State Attorney General, State Commissioner of Agriculture, State Commissioner of Labor, State Commissioner of Insurance, and all other State elective offices, Justice of the Supreme Court, Judge of the Court of Appeals, judge of a superior court, judge of a district court, and solicitor (district attorney) of the superior court: report to the solicitor (district attorney) of the solicitorial district in which Wake County is located;

(3) In the case of an individual other than a candidate, including, without limitation, violations by members of political committees or treasurers: report to the solicitor (district attorney) of the solicitorial district in which the individual resides; and

(4) In the case of a person or any group of individuals: report to the solicitor (district attorney) or solicitors (district attorneys) the solicitorial district or districts in which any of the officers, directors, agents, employees or members of the person or group reside.

(c) Upon receipt of such a report from the Board, the appropriate solicitor (district attorney) shall prosecute the individual or persons alleged to have violated a section or sections of this Article. (1973, c. 1272, s. 1.)

§ 163-278.28. Issuance of injunctions; special prosecutors named. — (a) The superior courts of this State shall have jurisdiction to issue injunctions or grant any other equitable relief appropriate to enforce the provisions of this Article upon application by any registered voter of the State.

(b) If the Board makes a report to a solicitor (district attorney) under G.S. 163-278.27 and no prosecution is initiated within 45 days after the report is made, any registered voter of the solicitorial district to whose solicitor (district attorney) a report has been made, or any board of elections in that district, may, by verified affidavit, petition the superior court for that district for the appointment of a special prosecutor to prosecute the individuals or persons who have or who are believed to have violated any section of this Article. Upon receipt of a petition for the appointment of a special prosecutor, the superior court shall issue an order to show cause, directed at the individuals or persons alleged in the petition to be in violation of this Article, why a special prosecutor should not be appointed. If there is no answer to the order, the court shall appoint a special prosecutor. If there is an answer, the court shall hold a hearing on the order, at which both the petitioning and answering parties may be heard, to determine whether a prima facie case of a violation and failure to prosecute exists. If there is such a prima facie case, the court shall so find and shall thereupon appoint a special prosecutor to prosecute the alleged violators. The special prosecutor shall take the oath required of assistant solicitors (district attorneys) by G.S. 7A-63, shall serve as an assistant solicitor (district attorney) pro tem of the appropriate district, and shall prosecute the alleged violators. (1973, c. 1272, s. 1.)

§ 163-278.29. Compelling self-incriminating testimony; individual so testifying excused from prosecution. — No individual shall be excused from attending or testifying or producing any books, papers, or other documents before any court upon any proceeding or trial of another for the violation of any of the provisions of this Article, upon the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him, but such individual may be subpoenaed and required to testify by and for the State relative to any offense arising under the provisions of this Article; but such individual shall not be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter or thing concerning which he may be compelled to testify or produce evidence, documentary or otherwise, and no compelled testimony so given or produced shall be used against him upon any criminal proceeding, but such individual so compelled to testify with respect to any acts of his own shall be immune from prosecution on account thereof. (1973, c. 1272, s. 1.)

§ 163-278.30. Candidates for federal offices to file information reports. — Candidates for nomination in a party primary or for election in a general or special election to the offices of United States Senator, member of the United States House of Representatives, President or Vice-President of the United States shall file with the Board all reports they or political committee treasurers or other agents acting for them are required to file under the Federal Election Campaign Act of 1971, P.L. 92-225, as amended (T. 2, U.S.C. section 439). Those reports shall be filed with the Board at the times required by that act. The Board shall, with respect to those reports, have the following duties only:

(1) To receive and maintain in an orderly manner all reports and statements required to be filed with it;

(2) To preserve such reports and statements for a period of five years from date of receipt, except that reports and statements relating solely to candidates for the offices of United States Senator or President or Vice-President of the United States shall be preserved for 10 years from the date of receipt;

(3) To make the reports and statements filed with it available for public inspection and copying during regular office hours, commencing as soon as practicable but not later than the end of the day during which they were received, and to permit copying of any such report or statement by hand or by duplicating machine, requested by any individual, at the expense of such individual; and

(4) To compile and maintain a current list of all statements or parts of statements pertaining to each candidate. (1973, c. 1272, s. 1.)

§ 163-278.31. Limitation on media expenses in certain statewide races. — No political treasurers shall make or authorize any expenditure that will cause the total amount expended for media as defined in G.S. 163-278.6 to exceed ten cents (10¢) multiplied by the voting-age population of North Carolina, estimated for that election by the U.S. Department of Commerce and published in the Federal Register. For the purpose of this section the first primary, the second primary, and general election shall be deemed separate elections or election time segments whether or not the candidate has opposition in the respective elections. The amount expended for media for the purpose of this section shall include time and space costs and costs of production.

This section shall apply only to the following officers: Governor, Lieutenant Governor, and Council of State. Any political treasurer who violates this section shall be guilty of a misdemeanor and shall be fined not more than five thousand dollars ($5,000) or imprisoned for not more than one year, or both. (1973, c. 1272, s. 1; 1975, c. 565, s. 9.)

Editor's Note. — The 1975 amendment added the last sentence of the first paragraph.

§ 163-278.32. Statements under oath. — Any statement required to be filed under this Article shall be signed and certified as true and correct by the individual, media, candidate, treasurer or others required to file it, and shall be verified by the oath or affirmation of the individual, media, candidate, treasurer or others filing the statement, taken before any officer authorized to administer oaths; provided further that the candidate shall certify as true and correct to the best of his knowledge each report filed by a treasurer appointed by him or by his principal campaign committee. (1973, c. 1272, s. 1.)

§ 163-278.33. Applicability of Article 22. — Sections 163-271 through 163-278 shall be applicable to the offices covered by this Article and G.S. 163-269 through 163-278 shall be applicable to all elective offices not covered by this Article. (1973, c. 1272, s. 3; 1975, c. 50; c. 565, s. 10.)

Cross Reference. — As to offices covered by this Article, see § 163-278.€, subdivision (18).

Editor's Note. — The first 1975 amendment inserted "with the exceptions of G.S. 163-271, 163-273, 163-274, 163-275, 163-276, 163-277 and 163-278" in this section as enacted by Session Laws 1973, c. 1272, s. 3.

The second 1975 amendment rewrote this section, which formerly provided that Article 22 of this Chapter, with the exceptions inserted by the first 1975 amendment, should not be applicable to any of the offices covered by this Article.

The section is set out above as rewritten by the second 1975 amendatory act.

§ 163-278.34. Filings; penalty for late filings. — (a) All reports, statements or other documents required by this Article to be filed with the Board shall be filed either by manual delivery to or by certified or registered mail addressed to the Board. Timely filing shall be complete if postmarked on the day the reports, statements or other documents are to be delivered to the Board. If a report, statement or other document is not filed within the time required by this Article, then the individual, person, media, candidate, political committee or treasurer responsible for filing shall pay to the State Board of Elections a late penalty of twenty dollars ($20.00) per day for each day the filing is late not to exceed five days. The Board shall immediately notify, or cause to be notified, late filers, from which reports are apparently due, by registered or certified mail, return receipt requested, of the penalties under this section. If the penalty has not been paid to or the report has not been filed with the Board within five days after receipt of the notification, then the Board shall report the late filing or failure to file to the appropriate district attorney who shall indict and prosecute the offender as required in G.S. 163-278.27. No criminal penalty shall be imposed if the penalty required by this section is paid and the delinquent report is filed within five days after notification by the Board.

(b) When a report, statement or other document, required by this Article is not apparently due (i.e., media, inactive candidate, individual, no organizational report filed, supplementary final report or annual report), the Board shall notify, as set forth above, the person or persons responsible for filing if information is presented indicating that the report, statement, or other document was in fact due. No criminal penalties shall be imposed if the late penalty is paid and the delinquent report is filed within five days after notification. (1973, c. 1272, s. 1; 1975, c. 565, s. 5.)

Editor's Note. — The 1975 amendment added the designation "(a)" at the beginning of the section, substituted "to or by certified or registered mail" for "or by registered mail,

return receipt requested" in the first sentence of subsection (a), added "Timely" and inserted "if postmarked" and "to be" in the second sentence of subsection (a), and added the remainder of subsection (a) and all of subsection (b).

§ 163-278.35. Preservation of records. — All reports, records and accounts required by this Article to be made, kept, filed, or maintained by any individual, media, candidate or treasurer shall be preserved and retained by the individual, media, candidate or treasurer for at least two years counting from the date of the election to which such reports, records and accounts refer. (1973, c. 1272, s. 1.)

§§ 163-278.36 to 163-278.40: Reserved for future codification purposes.

ARTICLE 22B.

Appropriations from the North Carolina Election Campaign Fund.

§ 163-278.41. Appropriations in general election and off election years. — (a) In a general election year, not later than 60 days nor earlier than 120 days before the general election, each chairman of a State political committee of a political party on behalf of which funds have been deposited in the North Carolina Election Campaign Fund, may apply to the State Treasurer for such funds. Upon receipt of such application, the State Treasurer shall forthwith, and every 30 days thereafter, pay over to said chairman all funds currently held by him on behalf of said chairman's political party, but provided that all such payments shall cease five days after the Secretary of State has certified the election returns of that general election. Any remaining funds of the political party in the hands of the State Treasurer shall thereafter be held by him until the next general election year at which time application therefor may again be made in the same manner and according to the same rules of distribution as hereinabove provided.

(b) In an off election year, each chairman of a State political committee of a political party on behalf of which funds have been deposited in the North Carolina Election Campaign Fund, may, on or between August 1 and September 1 thereof, apply to the State Treasurer for payment of an amount not to exceed fifty percent (50%) of the then available funds credited to his party's account. The remainder of said funds shall be held by the State Treasurer until the next general election year at which time application therefor may be made as prescribed in subsection (a) herein. (1975, c. 775, s. 2.)

Editor's Note. — Session Laws 1975, c. 775, s. 3, provides: "This act shall become effective with respect to taxable years beginning on or after January 1, 1975, and shall expire on December 31, 1977."

§ 163-278.42. Distribution of campaign funds; legitimate campaign expenses permitted. — (a) Every State political committee chairman shall distribute all funds received from the North Carolina Campaign Election Fund as directed by his party, but only those party candidates with opposition for Governor, Lieutenant Governor, United States Senate, United States House of Representatives, North Carolina Supreme Court and Court of Appeals, and Council of State, shall be eligible therefor, and no such funds may be expended for or on behalf of primary election expenses, or for expenses relating to the selection of a candidate at a political convention or at a party's executive committee. No candidate who is opposed in the general election for the office of United States Senator and House of Representatives, Supreme Court, Court

of Appeals and Council of State, shall receive more funds authorized herein than are distributed to any other opposed same party candidate for that particular category of public office. Provided, however, that any such candidate may elect to decline in whole or in part any funds he would be otherwise entitled to receive hereunder. No funds shall be distributed to any candidate or political committee unless it is to the actual political treasurer thereof within the meaning of Article 22A of Chapter 163 of the General Statutes.

(b) Funds distributed from the North Carolina Campaign Election Fund shall only be expended for legitimate campaign expenses which shall be expenses proximately promoting the candidacy of individuals seeking public office. By way of illustration but not by way of limitation, the following are examples of legitimate campaign expenses:

(1) Radio, television and newspaper advertising for and on behalf of a political party or candidate;
(2) Leaflets, fliers, buttons, and stickers;
(3) Campaign staff salaries, provided each staff member is listed by name and by the amount paid as salary and the amount paid as campaign expense reimbursement;
(4) Travel expenses, lodging and food for candidate and staff;
(5) Party headquarter operations directly related to upcoming elections, including the establishment and updating thereof of computer file systems of voter registration lists, and the organizing of voter registration, fund raising, and get-out-the-vote programs at the county level when conducted by State party personnel. (1975, c. 775, s. 2.)

§ 163-278.43. Report each year to Secretary of State and Executive Secretary of State Board of Elections; suspension of disbursements; willful violation a misdemeanor. — (a) The chairman of each State political party receiving any funds from the North Carolina Campaign Election Fund shall maintain a full and complete record of their receipts, as well as of any subsequent disbursement thereof, and such shall be substantiated by any records, receipts, and information that the Executive Secretary of the State Board of Elections shall require. Such record shall be centrally located and shall be readily available at reasonable hours for public inspection. State political committees shall maintain all such funds in a separate account, and shall not allow same to be commingled with any funds from any other source.

(b) By December 31 each year, the chairman of every State political committee receiving funds from the North Carolina Campaign Election Fund shall verify to the Executive Secretary of the State Board of Elections and to the Secretary of State, in such manner and on such forms that the Executive Secretary shall require, that all such funds received were expended for legitimate campaign expenses as prescribed within this Article. If the executive secretary determines and finds as a fact that any such funds have been used for any noncampaign purposes, he shall order that State political party to reimburse the amount thereof to the general fund of the State, and such political party shall not receive further disbursements from the North Carolina Campaign Election Fund until such reimbursement has been accomplished in full. A copy of any such order shall be forwarded to the State Treasurer, which shall constitute notice to him to suspend further disbursements from the campaign fund.

(c) Any individual, candidate, political committee, treasurer, or person who willfully and intentionally violates any of the provisions of this Article shall be guilty of a misdemeanor and shall be fined not more than one thousand dollars ($1,000) if an individual, and not more than five thousand dollars ($5,000) if a person other than an individual, or imprisoned for not more than one year, or be both fined and imprisoned. (1975, c. 775, s. 2.)

SUBCHAPTER IX. MUNICIPAL ELECTIONS.

ARTICLE 23.

Municipal Election Procedure.

§ 163-279. Time of municipal primaries and elections. — (a) Primaries and elections for offices filled by election of the people in cities, towns, incorporated villages, and special districts shall be held in 1973 and every two or four years thereafter as provided by municipal charter on the following days:

(1) If the election is nonpartisan and decided by simple plurality, the election shall be held on Tuesday after the first Monday in November.

(2) If the election is partisan, the election shall be held on Tuesday after the first Monday in November, the first primary shall be held on the sixth Tuesday before the election, and the second primary, if required, shall be held on the third Tuesday before the election.

(3) If the elction is nonpartisan and the nonpartisan primary method of election is used, the election shall be held on Tuesday after the first Monday in November and the nonpartisan primary shall be held on the fourth Tuesday before the election.

(4) If the election is nonpartisan and the election and runoff election method of election is used, the election shall be held on the fourth Tuesday before the Tuesday after the first Monday in November, and the runoff election, if required, shall be held on Tuesday after the first Monday in November.

(b) Notwithstanding the provisions of subsection (a), the next regular municipal primary and election in Winston-Salem shall be held at the time of the primary and election for county officers in 1974. Officers elected at that time shall serve terms of office expiring on the first Monday in December, 1977. Beginning in 1977, municipal primaries and elections in Winston-Salem shall be held at the time provided in this section.

(c) Officers of sanitary districts elected in 1970 shall hold office until the first Monday in December, 1973, notwithstanding G.S. 130-126. Beginning in 1973, sanitary district elections shall be held at the times provided in this section. (1971, c. 835, s. 1; 1973, c. 1115.)

Editor's Note. — Session Laws 1973, c. 470, s. 2, provides: "Sec. 2. The provisions of this act shall not apply to the City of Winston-Salem."

§ 163-280. Municipal boards of elections. — (a) In each city that is authorized and elects to conduct its own elections in the manner provided by G.S. 163-285, there shall be a municipal board of elections consisting of three persons of good moral character who are registered voters of the city. Members of the municipal board of elections shall be appointed by the city council at its regularly scheduled meeting held next before July 1 in each year preceding each regular municipal primary or election, and their terms of office shall be for two years beginning July 1 and until their successors are appointed and qualify. In municipalities where there are registered voters of more than one party, not more than two members of the municipal board of elections shall belong to the same political party, if the municipal officers are elected on a nonpartisan or partisan basis.

No person shall serve as a member of a municipal board of elections who holds any elective office, who is a candidate for any elective public office, who is a member of a county board of elections, or who is serving as campaign manager for any candidate in any election.

(b) On the Monday following the ninth Saturday before the regular municipal primary or election, the newly appointed members of the municipal board of

elections shall meet at the city hall or some other place specified by the city council and shall take the following oath of office:

"I, ... , do solemnly swear (or affirm) that I will support the Constitution of the United States; that I will be faithful and bear true allegiance to the State of North Carolina, and to the constitutional powers and authorities which are or may be established for the government thereof; that I will endeavor to support, maintain, and defend the Constitution of said State, not inconsistent with the Constitution of the United States; and that I will well and truly execute the duties of the office of member of the . . . . . municipal board of elections to the best of my knowledge and ability, according to law. So help me, God."

After each member has taken the oath, the board shall organize by electing one of its members chairman and another member secretary of the board.

(c) On the Monday following the seventh Saturday before each regular municipal primary or election, the municipal board of elections shall meet and appoint precinct registars and judges of elections. The municipal board of elections may then or at any time thereafter appoint an executive secretary, who shall have all of the powers and duties of an executive secretary to a county board of elections. The board may hold other meetings at such times and places as the chairman of the board, or any two members thereof, may direct, for the performance of duties prescribed by law. A majority of the members shall constitute a quorum for the transaction of business.

(d) The municipal board of elections shall keep minutes recording all proceedings and findings at each of its meetings. The minutes shall be recorded in a book which shall be kept in the board office if there be one, otherwise, the minute book shall remain in the custody of the secretary of the board.

(e) The compensation of members of the municipal board of elections shall be fixed by the city council.

(f) Municipal boards of elections shall have, with respect to municipal elections, all of the powers conferred on county boards of elections by G.S. 163-33 and G.S. 163-34 with respect to national, State, district, and county elections.

(g) No municipal, county, State or national chairman of any political party shall have the right to recommend to the city council the names of any person for appointment to membership on a municipal board of elections.

(h) Whenever a vacancy occurs in the membership of any municipal board of elections for any cause, the appointing city council shall fill the vacancy within 30 days of when it occurs.

(i) The city council with power to appoint a member of a municipal board of elections or the State Board of Elections may remove a member of a municipal board of elections for incompetency, neglect or failure to perform duties, fraud, or any other satisfactory cause. Before exercising this removal power, the city council or the State Board of Elections shall notify the municipal board member affected and give him an opportunity to be heard. (1971, c. 835, s. 1; 1973, c. 793, ss. 75-79; c. 1223, s. 8; 1975, c. 19, s. 70.)

Editor's Note. — The 1975 amendment corrected an error in the first 1973 amendatory act by substituting "officers" for "offices" in the last sentence of the first paragraph of subsection (a).

§ 163-281. Municipal precinct election officials. — (a) Registrars and Judges. — At the meeting required by G.S. 163-280(c), the municipal board of elections shall appoint one person to act as registrar and two other persons to act as judges of election for each precinct in the city. Not more than one judge in each precinct where there are registered voters of more than one political party shall belong to the same political party as the registrar, if the municipal

elections are on a nonpartisan or partisan basis. If the city and county precincts are identical and the board so chooses, it may decline to exercise its power to appoint precinct registrars and judges, in which event the persons appointed by the county board of elections as precinct registrars and judges in each precinct within the city shall serve as such for municipal elections under authority and subject to the supervision and control of the municipal board of elections. Nothing herein shall prohibit a municipal board of elections from using the registrars and judges of election appointed by the county board of elections in those precincts which are not identical provided the county board of elections agrees, in writing, to such arrangement. Registrars and judges shall be appointed for terms of two years. Except as modified by this Article, municipal precinct registrars and judges shall meet all of the qualifications, perform all the duties, and have all of the powers imposed and conferred on county precinct registrars and judges by G.S. 163-41(a), G.S. 163-47, and G.S. 163-48. Municipal precinct registrars and judges shall not have the powers and duties with respect to registration of voters prescribed by G.S. 163-47(b). Immediately after appointing registrars and judges as herein provided, the municipal board of elections shall publish the names of the persons appointed in some newspaper having a general circulation in the city, or in lieu thereof, by posting at the city hall or some other prominent place within the city, and shall notify each person appointed of his appointment.

(b) Assistants at Polls. — Municipal boards of elections shall have the same authority to appoint assistants to aid the registrar and judges as is conferred on county boards of elections by G.S. 163-42.

(c) Ballot Counters. — Municipal boards of elections shall have the same authority to appoint ballot counters as is conferred on county boards of elections by G.S. 163-43.

(d) Markers. — Municipal boards of elections shall not appoint markers, and markers shall not be used in municipal elections.

(e) Observers. — In cities holding partisan municipal elections, the chairman of each political party in the county shall have the same authority to appoint observers for municipal elections as he has for county elections under G.S. 163-45.

(f) Compensation. — Precinct officials and assistants appointed under this section shall be paid such sums as the city council may fix. County precinct officials and assistants serving in municipal elections in default of appointment of precinct officials by the municipal board of elections shall be compensated by the city in the sums specified in G.S. 163-46.

(g) No municipal, county, State or national chairman of any political party shall have the right to recommend to the municipal board of elections the name of any person for appointment as a precinct registrar, judge of elections, assistant or ballot counter.

(h) The municipal board of elections may designate the precinct in which each registrar, judge, assistant, ballot counter, or observer or other officers of elections shall serve; and, after notice and hearing, may remove any registrar, judge, assistant, ballot counter, observer, executive secretary or other officers of elections appointed by it for incompetency, failure to discharge the duties of office, failure to qualify within the time prescribed by law, fraud, or for any other satisfactory cause.

(i) Except as otherwise provided in this Chapter, precinct assistants, ballot counters, observers, and executive secretary and other officers of elections appointed by the municipal board of elections shall have the same powers and duties with respect to municipal elections as precinct assistants, ballot counters, observers, and executive secretaries and other officers of elections appointed by county boards of elections. (1971, c. 835, s. 1; 1973, c. 793, ss. 80-83, 94; c. 1223, s. 9.)

Freeholders Not Required. — The registrars are not required to be freeholders. Town of Hendersonville v. Jordan, 150 N.C. 35, 63 S.E. 167 (1908) (decided under former provisions).

§ 163-282. Residency defined for voting in municipal elections. — The rules for determining residency within a municipality shall be the same as prescribed in G.S. 163-57 for determining county residency. No person shall be entitled to reside in more than one city or town at the same time. (1971, c. 835, s. 1.)

§ 163-283. Right to participate or vote in party primary. — No person shall be entitled to vote or otherwise participate in the primary election of any political party unless he

(1) Is a registered voter, and

(2) Has declared and has had recorded on the registration book or record the fact that he affiliates with the political party in whose primary he proposes to vote or participate, and

(3) Is in good faith a member of that party.

Any person who will become qualified by age or residence to register and vote in the general election for which the primary is held, even though not so qualified by the date of the primary election, shall be entitled to register while the registration books are open during the regular registration period prior to the primary and then to vote in the primary after being registered, provided however, under full-time and permanent registration, such an individual may register not earlier than 60 days nor later than 21 days prior to the primary. (1971, c. 835, s. 1.)

§ 163-284. Mandatory administration by county boards of elections. — (a) No later than 30 days after January 1, 1973, every municipality which conducts its elections on a partisan basis, and every special district shall deliver its registration books to the county board of elections which shall, forthwith, assume the responsibility for administration of the registration and election process in such municipalities and special districts. The county boards of elections shall have authority to compare the registration books of such municipalities and special districts with the county registration books. Any person found to be registered for municipal or special district elections but not registered on the county registration records shall be required to register with the county board of elections in order to maintain his municipal or special district registration. The county board of elections shall forthwith notify any such person by mail to the address appearing on the municipal or special district registration records that he must reregister. The county board of elections shall have authority to require maps or definitive outlines of the boundaries constituting such municipality or special district and shall be immediately advised of any change or relocation of such boundaries.

(b) The registration of voters and the conduct of all elections in municipalities and special districts covered under this section shall be under the authority of the county board of elections. Any contested election or allegations of irregularities shall be made to the county board of elections and appeals from such rulings may be made to the State Board of Elections under existing statutory provisions and rules or regulations adopted by the State Board of Elections.

Each municipality and special district shall reimburse the county board of elections for the actual cost involved in the administration required under (a) and (b) of this section. (1971, c. 835, s. 1; 1973, c. 793, s. 84.)

§ 163-284.1. Special district elections conducted by county. — All elections held in and for a sanitary district, fire district or other special district, including school administrative units, shall be conducted by the county board of elections notwithstanding the fact that the taxes of the special district may be levied by a city. (1971, c. 835, s. 1.)

§ 163-285. Administration by county board of elections; optional by municipality. — Any city, town or incorporated village which conducts its elections on a nonpartisan basis may conduct its own elections, or it may request the county board of elections of the county in which it is located to conduct its elections. A county board of elections shall conduct the elections of each city, town or incorporated village so requesting and the city, town or incorporated village shall pay the cost thereof according to a formula mutually agreed upon by the county board of elections and the city council. If a mutual agreement cannot be reached, then the State Board of Elections shall prescribe the agreement, to which both parties are bound, or, in its discretion, the State Board of Elections shall have authority to instruct the county board of elections to decline the administration of the elections for such city, town or incorporated village.

(1) The elections of cities, towns or incorporated villages which lie in more than one county shall be conducted either (i) by the county in which the greater number of the city's citizens reside, according to the most recent federal census of population, or (ii) jointly by the boards of elections of each county in which such city, town or incorporated village is located, as may be mutually agreed upon by the county boards of elections so affected, or (iii) by a municipal board of elections appointed by the governing body of the municipality. The State Board of Elections shall have authority to promulgate regulations for more detailed administration and conduct of municipal elections by county or municipal boards of elections for cities situated in more than one county.

(2) Any city, town or incorporated village electing to have its elections conducted by the county board of elections as provided by this section, shall do so no later than January 1, 1973 provided, however, the county board of elections shall be entitled to 90 days' notice prior to the effective date decided upon by the municipality. For efficient administration the State Board of Elections shall have the authority to delay the effective date of all such agreements under this section and shall set a date certain on which such agreements shall commence. The State Board of Elections shall also have the authority to permit any city, town or incorporated village to exercise the options under this Article subsequent to the deadline stated in this section.

(3) If any city, town or incorporated village, operating under this section, shall decide that a full-time registration office is needed in such city, then it shall be the duty of the county board of elections to appoint such registration commissioner who shall be attendant to the duties of registration of voters or other such duties as might be assigned by the county board of elections. Such registration commissioner shall be titled "city registrar" and shall be provided office space and equipment by the city, town or incorporated village requesting such "city registrar." Persons appointed by the county board of elections to such positions shall be paid by the city, town or incorporated village at the rate of not less than twenty dollars ($20.00) per day and such persons shall be appointed by the county board of elections to be in attendance at the prescribed duties not less than one nor more than five days each week. (1971, c. 835, s. 1; 1973, c. 171.)

§ 163-286. Conduct of municipal and special district elections; application of Chapter 163. — (a) To the extent that the laws, rules and procedures applicable to the conduct of primary, general and special elections by county boards of elections under Articles 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 19 and 22 of this Chapter are not inconsistent with provisions of this Article, those laws, rules and procedures shall apply to municipal and special district elections and

their conduct by the board of elections conducting those elections. The State Board of Elections shall have the same authority over all such elections as it has over county and State elections under those Articles.

(b) Any city, town or incorporated village which elects to conduct its own elections, under the provisions of G.S. 163-285, shall comply with the requirements contained in G.S. 163-280 and G.S. 163-281. (1971, c. 835, s. 1; 1973, c. 793, s. 85.)

§ 163-287. Special elections; procedure for calling. — Any city, whether its elections are conducted by the county board of elections or the municipal board of elections, or any special district shall have authority to call special elections as permitted by law. Prior to calling a special election, the city council or the governing body of the special district shall adopt a resolution specifying the details of the election, and forthwith deliver the resolution to the appropriate board of elections. The resolution shall call on the board of elections to conduct the election described in the resolution and shall state the date on which the special election is to be conducted. The special election may be held at the same time as any other State, county or municipal primary, election or special election or referendum, but may not otherwise be held within the period of time beginning 30 days before and ending 30 days after the date of any other primary, election, special election or referendum held for that city or special district.

Legal notice of the special election shall be published no less than 20 days prior to the date on which the registration books or records close for the special election. The appropriate board of elections shall be responsible for publishing the legal notice. The notice shall state the date and time of the special election, the issue to be submitted to the voters, and the precincts in which the election will be held. This paragraph shall not apply to bond elections. (1971, c. 835, s. 1; 1973, c. 793, s. 86.)

§ 163-288. Registration for city elections; county and municipal boards of elections. — (a) Where the county board of elections conducts the municipal election, the registration record of the county board of elections shall be the official registration record for voters to vote in all elections, city, district, county, State or national.

(b) Where the municipal board of elections conducts the elections, each such municipality shall purchase only those loose-leaf binders for the registration records that have been approved by the State Board of Elections.

The loose-leaf registration forms shall be those approved by the State Board of Elections. When completed by each municipal registrant, the forms shall be the official registration record in each municipality and shall be kept in agreement with the county registration records for that registrant. They shall be prepared, completed, maintained and kept current pursuant to the same provisions of Article 7, Chapter 163, as apply to registration records of county boards of elections. They also shall be furnished by the State Board of Elections, through the respective county boards of elections, to the municipalities.

Every municipal board of elections conducting the elections in any city, town, or incorporated village shall secure and install those binders and loose-leaf forms required by this section no later than January 1, 1973, or no later than 90 days after any such municipality elects to conduct its own elections.

(c) Registration of voters and preparation of registration books for city elections in cities electing to conduct their own elections shall be conducted under one of the following alternative methods:

(1) METHOD A. — A permanent, full-time registration office shall be established in a convenient place within a city, and the municipal board of elections shall appoint a special registration commissioner to be in charge of the office, and the commissioner shall have full power and authority to register voters who reside within the city without regard

to their precinct or county of residence. A municipal board of elections may appoint special registration commissioners notwithstanding the population limitation contained in G.S. 163-67(b).

(2) METHOD B. — The municipal board of elections may contract with the county board of elections to prepare two extra sets of registration forms for each person who registers with the county board of elections and who resides in the municipality which negotiates such agreement. Any such agreement shall be in writing and shall be on such terms as is agreeable to the majority of the county board of elections involved.

(3) METHOD C. — The county board of elections shall permit the municipal board of elections to copy county registration books from the precinct binder record or from the duplicate required to be maintained by said county board of elections. During the period beginning 21 days before each municipal election (excluding Saturdays and Sundays), the municipal board of elections shall compare the municipal registration books with the appropriate county books and shall add or delete registration certificates in order that the city and county records shall agree. The precincts established for municipal elections may differ from those established by the county board of elections.

(4) METHOD D. — The county board of elections may, in its sole discretion, deliver to the municipal board of elections the county precinct registration books for each precinct wholly or partially located within the city, and these books shall be used in conducting the municipal elections.

(d) The State Board of Elections shall have authority to promulgate rules and regulations for the detailed administration of each alternative method of registration offered by this section.

(e) Each city, town or incorporated village electing to conduct its own elections shall select one of the registration methods offered by this section by joint agreement with the appropriate county boards of elections, subject to the approval of the State Board of Elections. The selection of method shall be evidenced by concurrent resolutions of the city council and each affected county board of elections, which shall be filed with the State Board of Elections, and which shall become effective upon the State Board's approval thereof. Provided, however, if METHOD A is selected, the municipal board of elections shall only be required to send a copy of the resolution to the State Board of Elections and the county board of elections. If the city and the county board of elections fail to agree then METHOD C shall be used. (1971, c. 835, s. 1; 1973, c. 793, s. 87.)

§ 163-288.1. Activating voters for newly annexed or incorporated areas. — (a) Whenever any new city or special district is incorporated or whenever an existing city or district annexes any territory, the city or special district shall cause a map of the corporate or district limits to be prepared from the boundary descriptions in the act, charter or other document creating the city or district or authorizing or implementing the annexation. The map shall be delivered to the county or municipal board of elections conducting the elections for the city or special district. The board of elections shall then activate for city or district elections each voter eligible to vote in the city or district who is registered to vote in the county to the extent that residence addresses shown on the county registration certificates can be identified as within the limits of the city or special district. Each voter whose registration is thus activated for city or special district elections shall be so notified by mail. The cost of preparing the map of the newly incorporated city or special district or of the newly annexed area, and of activating voters eligible to vote therein, shall be paid by the city or special district. In lieu of the procedures set forth in this section, the county board of elections may use either of the methods of registration of voters set out in G.S. 163-288.2 when activating voters pursuant to the incorporation of a new city or

election of city officials or both under authority of an act of the General Assembly.

(b) Each voter whose registration is changed by the county or municipal board of elections in any manner pursuant to any annexation or expunction under this subsection shall be so notified by mail.

(c) The State Board of Elections shall have authority to adopt regulations for the more detailed administration of this section. (1971, c. 835, s. 1; 1973, c. 793, s. 88.)

§ 163-288.2. Registration in area proposed for incorporation. — (a) Whenever the General Assembly incorporates a new city and provides in the act of incorporation for a referendum on the question of incorporation or for a special election for town officials or for both, the board of elections of the county in which the proposed city is located shall determine those individuals eligible to vote in the referendum or special election. In determining the eligible voters the board may, in its discretion, use either of the following methods:

METHOD A. — The board of elections shall prepare a list of those registered voters residing within the proposed city. The board shall make this list available for public inspection in its office for a two-week period ending 21 days (excluding Saturdays and Sundays) before the day of the referendum or special election. During this period, any voter resident within the proposed city and not included on the list may cause his name to be added to the list. At least one week and no more than two weeks before the day the period of public inspection is to begin, the board shall cause notice of the list's availability to be posted in at least two prominent places within the proposed city and may cause the notice to be published in a newspaper of general circulation within the county. The notice shall state that the list has been prepared, that only those persons listed may vote in the referendum or special election, that the list will be available for public inspection in the board's office, and that any qualified voter not included on the list may cause his name to be added to the list during the two-week period of public inspection.

METHOD B. — The board of elections shall conduct a special registration of eligible persons desiring to vote in the referendum or special election. The registration records shall be open for a two-week period (except Sundays) ending 21 days (excluding Saturdays and Sundays) before the day of the referendum or special election. On the two Saturdays during that two-week period, the records shall be located at the voting place for the referendum or special election; on the other days it may, in the discretion of the board, be kept at the voting place, at the office of the board, or at the place of business of a person designated by the board to conduct the special registration. At least one week and no more than two weeks before the day the period of special registration is to begin, the board shall cause notice of the registration to be posted in at least two prominent places within the proposed city and may cause the notice to be published in a newspaper of general circulation within the county. The notice shall state the purpose and times of the special registration, the location of the registration records, and that only those persons registered in the special registration may vote in the referendum or special election.

(b) Only persons registered pursuant to this section may vote in the referendum or special election. (1973, c. 551.)

§ 163-289. Right to challenge; challenge procedure. — (a) The rules governing challenges in municipal elections shall be the same as are now applicable to challenges made in a county election, provided however, any voter who challenges another voter's right to vote in any municipal or special district election must reside in such municipality or special district.

(b) Whenever a challenge is made pursuant to this section, the appropriate board of elections shall process such challenge in accordance with the provisions of Article 8 of Chapter 163 of the General Statutes as such Article is applicable.

(c) If a municipal board of elections sustains a challenge on the grounds that a voter registered to vote in the municipality is not a resident of the municipality, it shall forthwith certify its decision to the county board of elections of the county or counties in which the municipality lies, and the voter's registration for municipal elections shall be expunged from the county registration records. (1971, c. 835, s. 1; 1973, c. 793, s. 89.)

§ 163-290. Alternative methods of determining the results of municipal elections. — (a) Each city, town, village, and special district in this State shall operate under one of the following alternative methods of nominating candidates for and determining the results of its elections:

(1) The partisan primary and election method set out in G.S. 163-291.
(2) The nonpartisan primary and election method set out in G.S. 163-294.
(3) The nonpartisan plurality method set out in G.S. 163-292.
(4) The nonpartisan election and runoff election method set out in G.S. 163-293.

(b) Each city whose charter provides for partisan municipal elections as of January 1, 1972, shall operate under the partisan primary and election method until such time as its charter is amended to provide for nonpartisan elections. Each city, town, village, and special district whose elections are by charter or general law nonpartisan may select the nonpartisan primary and election method, the nonpartisan plurality method, or the nonpartisan election and runoff election method by resolution of the municipal governing board adopted and filed with the State Board of Elections not later than 5:00 P.M. Monday, January 31, 1972, except that a city whose charter provides for a nonpartisan primary as of January 1, 1972, may not select the plurality method unless its charter is so amended. If the municipal governing board does not exercise its option to select another choice before that time, the municipality shall operate under the method specified in the following table:

Cities, towns and villages of less than 5,000	Plurality
Cities, towns and villages of 5,000 or more	Election and Runoff Election
Special districts	Plurality

After January 31, 1972, each city, town and village may change its method of election from one to another of the methods set out in subsection (a) by act of the General Assembly or in the manner provided by law for amendment of its charter. (1971, c. 835, s. 1.)

ARTICLE 24.

Conduct of Municipal Elections.

§ 163-291. Partisan primaries and elections. — The nomination of candidates for office in cities, towns, villages, and special districts whose elections are conducted on a partisan basis shall be governed by the provisions of this Chapter applicable to the nomination of county officers, and the terms "county board of elections," "chairman of the county board of elections," "county officers," and similar terms shall be construed with respect to municipal elections to mean the appropriate municipal officers and candidates, except that:

(1) The dates of the primary and election shall be as provided in G.S. 163-279.

(2) A candidate seeking party nomination for municipal or district office may file his notice of candidacy with the board of elections not later than 12:00 noon on the Friday preceding the fifth Saturday and not earlier than 12:00 noon on the Friday preceding the eighth Saturday before the primary election in which he seeks to run.
(3) The filing fee for municipal and district primaries shall be fixed by the governing board not later than Friday before the eighth Saturday before the primary. There shall be a minimum filing fee of five dollars ($5.00). The governing board shall have the authority to set the filing fee at not less than five dollars ($5.00) nor more than one percent (1%) of the annual salary of the office sought unless one percent (1%) of the annual salary of the office sought is less than five dollars ($5.00), in which case the minimum filing fee of five dollars ($5.00) will be charged. The fee shall be paid to the board of elections at the time notice of candidacy is filed.
(4) The municipal ballot may not be combined with any other ballot.
(5) The canvass of the primary and second primary shall be held on the Thursday following the primary or second primary.
(6) Candidates having the right to demand a second primary shall do so not later than 12:00 noon on the Monday following the canvass of the first primary. (1971, c. 835, s. 1; 1973, c. 870, s. 1; 1975, c. 370, s. 2.)

Editor's Note. — The 1975 amendment substituted "fifth" for "fourth" near the middle of subdivision (2).

§ 163-292. Determination of election results in cities using the plurality method. — In conducting nonpartisan elections and using the plurality method, elections shall be determined in accordance with the following rules:

(1) When more than one person is seeking election to a single office, the candidate who receives the highest number of votes shall be declared elected.
(2) When more persons are seeking election to two or more offices (constituting a group) than there are offices to be filled, those candidates receiving the highest number of votes, equal in number to the number of offices to be filled, shall be declared elected.
(3) If two or more candidates receiving the highest number of votes each receive the same number of votes, the board of elections shall determine the winner by lot. (1971, c. 835, s. 1.)

§ 163-293. Determination of election results in cities using the election and runoff election method. — (a) Except as otherwise provided in this section, nonpartisan municipal elections in cities using the election and runoff election method shall be determined by a majority of the votes cast. A majority within the meaning of this section shall be determined as follows:

(1) When more than one person is seeking election to a single office, the majority shall be ascertained by dividing the total vote cast for all candidates by two. Any excess of the sum so ascertained shall be a majority, and the candidate who obtains a majority shall be declared elected.
(2) When more persons are seeking election to two or more offices (constituting a group) than there are offices to be filled, the majority shall be ascertained by dividing the total vote cast for all candidates by the number of offices to be filled, and by dividing the result by two. Any excess of the sum so ascertained shall be a majority, and the candidates who obtain a majority shall be declared elected. If more

candidates obtain a majority than there are offices to be filled, those having the highest vote (equal to the number of offices to be filled) shall be declared elected.

(b) If no candidate for a single office receives a majority of the votes cast, or if an insufficient number of candidates receives a majority of the votes cast for a group of offices, a runoff election shall be held as herein provided:

(1) If no candidate for a single office receives a majority of the votes cast, the candidate receiving the highest number of votes shall be declared elected unless the candidate receiving the second highest number of votes requests a runoff election in accordance with subsection (c) of this section. In the runoff election only the names of the two candidates who received the highest and next highest number of votes shall be printed on the ballot.

(2) If candidates for two or more offices (constituting a group) are to be selected and aspirants for some or all of the positions within the group do not receive a majority of the votes, those candidates equal in number to the positions remaining to be filled and having the highest number of votes shall be declared elected unless some one or all of the candidates equal in number to the positions remaining to be filled and having the second highest number of votes shall request a runoff election in accordance with subsection (c) of this section. In the runoff election to elect candidates for the positions in the group remaining to be filled, the names of all those candidates receiving the highest number of votes and demanding a runoff election shall be printed on the ballot.

(c) The canvass of the first election shall be held on the Thursday after the election. A candidate entitled to a runoff election may do so by filing a written request for a runoff election with the board of elections no later than 12:00 noon on the Monday after the result of the first election has been officially declared.

(d) Tie votes; how determined:

(1) If there is a tie for the highest number of votes in a first election, the board of elections shall conduct a recount and declare the results. If the recount shows a tie vote, a runoff election between the two shall be held unless one of the candidates, within three days after the result of the recount has been officially declared, files a written notice of withdrawal with the board of elections. Should that be done, the remaining candidate shall be declared elected.

(2) If one candidate receives the highest number of votes cast in a first election, but short of a majority, and there is a tie between two or more of the other candidates receiving the second highest number of votes, the board of elections shall declare the candidate having the highest number of votes to be elected, unless all but one of the tied candidates give written notice of withdrawal to the board of elections within three days after the result of the first election has been officially declared. If all but one of the tied candidates withdraw within the prescribed three-day period, and the remaining candidate demands a runoff election in accordance with subsection (c) of this section, a runoff election shall be held between the candidate who received the highest vote and the remaining candidate who received the second highest vote.

(e) Runoff elections shall be held on the date fixed in G.S. 163-279(a)(4). Persons whose registrations become valid between the date of the first election and the runoff election shall be entitled to vote in the runoff election, but in all other respects the runoff election shall be held under the laws, rules, and regulations provided for the first election.

(f) A second runoff election shall not be held. The candidates receiving the highest number of votes in a runoff election shall be elected. If in a runoff

election there is a tie for the highest number of votes between two candidates, the board of elections shall determine the winner by lot. (1971, c. 835, s. 1; 1973, c. 793, s. 90.)

§ 163-294. Determination of election results in cities using nonpartisan primaries. — (a) In cities whose elections are nonpartisan and who use the nonpartisan primary and election method, there shall be a primary to narrow the field of candidates to two candidates for each position to be filled if, when the filing period closes, there are more than two candidates for a single office or the number of candidates for a group of offices exceeds twice the number of positions to be filled. If only one or two candidates file for a single office, no primary shall be held for that office and the candidates shall be declared nominated. If the number of candidates for a group of offices does not exceed twice the number of positions to be filled, no primary shall be held for those offices and the candidates shall be declared nominated.

(b) In the primary, the two candidates for a single office receiving the highest number of votes, and those candidates for a group of offices receiving the highest number of votes, equal to twice the number of positions to be filled, shall be declared nominated. If two or more candidates receiving the highest number of votes each received the same number of votes, the board of elections shall determine their relative ranking by lot, and shall declare the nominees accordingly. The canvass of the primary shall be held on the Thursday following the primary.

(c) In the election, the names of those candidates declared nominated without a primary and those candidates nominated in the primary shall be placed on the ballot. The candidate for a single office receiving the highest number of votes shall be elected. Those candidates for a group of offices receiving the highest number of votes, equal in number to the number of positions to be filled, shall be elected. If two candidates receiving the highest number of votes each received the same number of votes, the board of elections shall determine the winner by lot. (1971, c. 835, s. 1.)

§ 163-294.1. Death of candidates or elected officers. — (a) This section shall apply only to municipal and special district elections.

(b) If a candidate for political party nomination for office dies, becomes disqualified, or withdraws before the primary but after the ballots have been printed, the provisions of G.S. 163-112 shall govern.

If a candidate for nomination in a nonpartisan municipal primary dies, becomes disqualified, or withdraws before the primary but after the ballots have been printed, the board of elections shall determine whether or not there is time to reprint the ballots. If the board determines that there is not enough time to reprint the ballots, the deceased or disqualified candidate's name shall remain on the ballots. If he receives enough votes for nomination, such votes shall be disregarded and the candidate receiving the next highest number of votes below the number necessary for nomination shall be declared nominated. If the death or disqualification of the candidate leaves only two candidates for each office to be filled, the nonpartisan primary shall not be held and all candidates shall be declared nominees.

If a nominee for political party nomination dies, becomes disqualified, or withdraws after the primary and before election day, the provisions of G.S. 163-114 shall govern.

If a candidate in a nonpartisan election dies, becomes disqualified, or withdraws before election day and after the ballots have been printed, the board of elections shall determine whether there is enough time to reprint the ballots. If there is not enough time to reprint the ballots, and should the deceased or disqualified candidate receive enough votes to be elected, the board of elections shall declare the office vacant, and it shall be filled as provided by law.

(c) If a person elected to any city office dies, becomes disqualified, or resigns on or after election day and before he has qualified by taking the oath of office, the office shall be deemed vacant, and shall be filled as provided by law.

(d) If a person elected to any municipal or special district office for a term of more than two years dies, becomes disqualified, or resigns after taking the oath of office, the person appointed to fill the vacancy shall serve for the remainder of the unexpired term. (1971, c. 835, s. 1.)

§ 163-294.2. Notice of candidacy and filing fee in nonpartisan municipal elections. — (a) Each person offering himself as a candidate for election to any municipal office in municipalities whose elections are nonpartisan shall do so by filing a notice of candidacy with the board of elections in the following form, inserting the words in parentheses when appropriate:

"Date . . . . . ;

I hereby file notice that I am a candidate for election to the office of . . . . . (at large) (for the . . . . . Ward) in the regular municipal election to be held in . . . . . on
(municipality)
. . . . . , 19. . . . . .

Signed . . . . . .
(Name of Candidate)

Witness: . . . . . .
For the Board of Elections"

The notice of candidacy shall be either signed in the presence of the chairman or secretary of the board of elections, or signed and acknowledged before an officer authorized to take acknowledgments who shall certify the notice under seal. An acknowledged and certified notice may be mailed to the board of elections. The candidate shall sign the notice of candidacy with his legal name and, in his discretion, any nickname by which he is commonly known, in the form that he wishes it to appear upon the ballot but substantially as follows: "Richard D. (Dick) Roc."

(b) Only persons who are registered to vote in the municipality shall be permitted to file notice of candidacy for election to municipal office. A person who is not registered to vote in municipal elections may file notice of candidacy if at the time he files notice of candidacy he signs and deposits with the board of elections a written pledge that he will register in time to vote in the election. The pledge may be inserted in the notice of candidacy in the following form: "and I certify that I will register for municipal elections in this city (district) in time to participate in the election for which I have filed." The board of elections shall inspect the voter registration lists immediately after the expiration of the registration period and shall cancel the notice of candidacy of any candidate who is not eligible to vote in the election. The board shall give notice of cancellation to any candidate whose notice of candidacy has been cancelled under this subsection by mail or by having the notice served on him by the county sheriff.

(c) Candidates may file their notices of candidacy with the board of elections at any time after 12:00 noon on the Friday preceding the eighth Saturday and before 12:00 noon on the Friday preceding the fifth Saturday before the municipal primary or election. Notices of candidacy which were mailed must be received by the board of elections before the filing deadline regardless of the time they were deposited in the mails.

(d) Any person may withdraw his notice of candidacy at any time prior to the filing deadline prescribed in subsection (c), and shall be entitled to a refund of his filing fee if he does so.

(e) The filing fee for the primary or election shall be fixed by the governing board not later than Friday before the eighth Saturday before the primary or election. There shall be a minimum filing fee of five dollars ($5.00). The

governing board shall have the authority to set the filing fee at not less than five dollars ($5.00) nor more than one percent (1%) of the annual salary of the office sought unless one percent (1%) of the annual salary of the office sought is less than five dollars ($5.00), in which case the minimum filing fee of five dollars ($5.00) will be charged. The fee shall be paid to the board of elections at the time notice of candidacy is filed. (1971, c. 835, s. 1; 1973, c. 870, s. 2; 1975, c. 370, s. 2.)

Editor's Note. — The 1975 amendment substituted "fifth" for "fourth" near the end of the first sentence of subsection (c).

§ 163-294.3. Sole candidates to be voted upon in nonpartisan municipal elections. — Each candidate for municipal office in nonpartisan municipal elections shall be voted upon, even though only one candidate has filed or has been nominated for a given office, in order that the voters may have the opportunity to cast write-in votes under the general election laws. (1971, c. 835, s. 1.)

§ 163-294.4. Failure of candidates to file; death of a candidate before election. — (a) If in a nonpartisan municipal election, when the filing period expires, candidates have not filed for all offices to be filled, the board of elections may extend the filing period for five days.

(b) If at the time the filing period closes only two persons have filed notice of candidacy for election to a single office or only as many persons have filed notices of candidacy for group offices as there are offices to be filled, and thereafter one of the candidates dies before the election and before the ballots are printed, the board of elections shall, upon notification of the death, immediately reopen the filing period for an additional five days during which time additional candidates shall be permitted to file for election. If the ballots have been printed at the time the board of elections receives notice of the candidate's death, the board shall determine whether there will be sufficient time to reprint them before the election if the filing period is reopened for three days. If the board determines that there will be sufficient time to reprint the ballots, it shall reopen the filing period for three days to allow other candidates to file for election.

(c) If the ballots have been printed at the time the board of elections receives notice of a candidate's death, and if the board determines that there is not enough time to reprint the ballots before the election if the filing period is reopened for three days, then, regardless of the number of candidates remaining for the office, the ballots shall not be reprinted and the name of the deceased candidate shall remain on the ballots. If a deceased candidate should poll the highest number of votes in the election, even though short of a majority the board of elections shall declare the office vacant and it shall be filled in the manner provided by law. If no candidate in an election receives a majority of the votes cast and the second highest vote is cast for a deceased candidate, no runoff election shall be held, but the board of elections shall declare the candidate receiving the highest vote to be elected. (1971, c. 835, s. 1.)

§ 163-295. Municipal and special district elections; application of Chapter 163. — To the extent that the laws, rules and procedures applicable to the conduct of primary, general or special elections by county boards of elections under Articles 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 19 and 22 of this Chapter are not inconsistent with the provisions of this Article, those laws, rules and procedures shall apply to municipal and special district elections and their conduct by the board of elections conducting those elections. The State Board of Elections shall have the same authority over all such elections as it has over

county and State elections under those Articles. (1971, c. 835, s. 1; 1973, c. 793, s. 91.)

§ 163-296. Nomination by petition. — In cities conducting partisan elections, any qualified voter who seeks to have his name printed on the regular municipal election ballot as an independent or nonpartisan candidate may do so in the manner provided in G.S. 163-122, except that the petitions and affidavits shall be filed not later than 21 days before the election, and the petitions shall be signed by a number of qualified voters of the municipality equal to at least fifteen percent (15%) of the whole number of voters qualified to vote in the municipal election according to the most recent figures certified by the State Board of Elections. (1971, c. 835, s. 1.)

§ 163-297. Structure at voting place; marking off limits of voting place. — Precincts in which municipal primaries and elections are conducted shall conform, in all regards, to the requirements stipulated in G.S. 163-129 and all other provisions contained in Chapter 163 relating to county and State elections. (1971, c. 835, s. 1.)

§ 163-298. Municipal primaries and elections. — The phrases "county board of elections," and "chairman of the board of elections" as used in this Article, with respect to all municipal primaries and elections, shall mean the municipal board of elections and its chairman in those cities and towns which conduct their own elections, and the county board of elections and its chairman in those cities and towns whose elections are conducted by the county board of elections. The words "general election," as used in this Article, shall include regular municipal elections, runoff elections, and nonpartisan primaries, except where specific provision is made for municipal elections and nonpartisan primaries. (1971, c. 835, s. 1.)

§ 163-299. Ballots; municipal primaries and elections. — (a) The ballots printed for use in general and special elections under the provisions of this Article shall contain:

(1) The names of all candidates who have been put in nomination in accordance with the provisions of this Chapter by any political party recognized in this State, or, in nonpartisan municipal elections, the names of all candidates who have filed notices of candidacy or who have been nominated in a nonpartisan primary.

(2) The names of all persons who have qualified as independent candidates under the provisions of G.S. 163-296.

(3) All questions, issues and propositions to be voted on by the people.

(b) The form of municipal ballots to be used in partisan municipal elections shall be the same as the form prescribed in this Chapter for the county ballot. A nonpartisan municipal ballot shall be divided into sections according to the offices to be filled. Within each section the names of the candidates for that office shall be printed. At the left of each name shall be printed a voting square, and all voting squares on the ballot shall be arranged in a perpendicular line. On the face of the ballot, above the list of candidates and below the title of the ballot shall be printed in heavy black type the following instructions: "If you tear or deface or wrongly mark this ballot, return it and get another."

(c) The names of candidates for nomination or election in municipal primaries or elections shall be placed on the ballot in strict alphabetical order.

(d) The provisions of G.S. 163-151(1), (2) and (3) shall apply to ballots used in municipal primaries and elections in the same manner as it is applied to county ballots provided, however, the exceptions contained in G.S. 163-151 shall be adhered to if applicable.

(e) The rules contained in G.S. 163-169 for counting primary ballots shall be followed in counting ballots in municipal primaries and nonpartisan primaries.

(f) The requirements contained in G.S. 163-171 shall apply to all municipal elections.

(g) The county or municipal board of elections shall, in addition to the requirements contained in G.S. 163-175 canvass the results in a nonpartisan municipal primary, election or runoff election, and in a special district election, the number of legal votes cast in each precinct for each candidate, the name of each person voted for, and the total number of votes cast in the municipality or special district for each person for each different office. (1971, c. 835, s. 1.)

§ 163-300. Disposition of duplicate abstracts in municipal elections. — Within five days after a primary or election is held in any municipality, the chairman of the county or municipal board of elections shall mail to the chairman of the State Board of Elections, the duplicate abstract prepared in accordance with G.S. 163-176. One copy shall be retained by the county or municipal board of elections as a permanent record and one copy shall be filed with the city clerk. (1971, c. 835, s. 1.)

§ 163-301. Chairman of election board to furnish certificate of elections. — Not earlier than five days nor later than 10 days after the results of any municipal election have been officially determined and published in accordance with G.S. 163-175 and G.S. 163-179, the chairman of the county or municipal board of elections shall issue certificates of election, under his hand and seal, to all municipal and special district officers. In issuing such certificates of election the chairman shall be restricted by the provisions of G.S. 163-181. (1971, c. 835, s. 1.)

§ 163-302. Absentee voting. — (a) In any municipal election, including a primary, or general election or referendum, conducted by the county board of elections, absentee voting may, upon resolution of the municipal governing body, be permitted. Such resolution must be adopted no later than 50 days prior to an election in order to be effective for that election. Any such resolution shall remain effective for all future elections unless repealed no later than 50 days before an election. A copy of all resolutions adopted under this section shall be filed with the State Board of Elections and the county board of elections conducting the election within 10 days of passage. This subsection shall not apply if the election is conducted by a municipal board of elections; nor shall absentee voting be permitted in any special district election.

(b) The provisions of Articles 20 and 21 of this Chapter shall apply to absentee voting permitted by this section, except that the State Board of Elections may provide a later date for the first meeting under G.S. 163-230 and the first day for voting under G.S. 163-227.2(b). (1971, c. 835, s. 1; 1975, c. 370, s. 1; c. 836.)

Editor's Note. — The first 1975 amendment rewrote this section, which formerly provided that Articles 20 and 21 of this Chapter should not apply to any municipal or special district election.

The second 1975 amendment added the second, third and fourth sentences of subsection (a).

§ 163-303. Regulation of campaign expenses not applicable in nonpartisan elections. — General Statutes 163-259 through 163-268 shall not apply to nonpartisan municipal or special district elections. (1971, c. 835, s. 1.)

Local Modification. — City of Raleigh: 1973, c. 319, s. 1.

Editor's Note. — Sections 163-259 through 163-268 cited in this section were repealed by Session Laws 1975, c. 565, s. 8.

§ 163-304. State Board of Elections to have jurisdiction over municipal elections and election officials, and to advise. — The State Board of Elections shall have the same authority over municipal elections and election officials as it has over county and State elections and election officials. The State Board of Elections shall advise and assist cities, towns, incorporated villages and special districts, municipal boards of elections, their members and legal officers on the conduct and administration of their elections and registration procedure.

The county and municipal boards of elections shall be governed by the same rules for settling controversies with respect to counting ballots or certification of the returns of the vote in any municipal or special district election as are in effect for settling such controversies in county and State elections. (1971, c. 835, s. 1; 1973, c. 793, s. 92.)

§ 163-305. Validation of elections. — All elections, and the results thereof, previously held in and for any municipality, special district, or school administrative unit pursuant to Subchapter IX, Chapter 163, are hereby validated. (1973, c. 492, s. 1.)

§ 163-306. Assumption of office by mayors and councilmen. — Newly elected mayors and councilmen (members of the governing body) shall take office as prescribed by G.S. 160A-68. (1973, c. 866.)

Chapter 164.

Concerning the General Statutes of North Carolina.

Article 1.

The General Statutes.

Sec.
164-1. Title of revision.
164-2. Effect as to repealing other statutes.
164-3. Repeal not to affect rights accrued or suits commenced.
164-4. Offenses, penalties and liabilities not affected.
164-5. Pending actions and proceedings not affected.
164-6. Effect of repeal on persons holding office.
164-7. Statutes not repealed.
164-8. General Statutes of North Carolina effective December 31, 1943.
164-9. Completion of General Statutes by Division of Legislative Drafting and Codification of Statutes.
164-10. Supplements to the General Statutes; rearrangement of laws, and correction of errors.
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Article 1.

The General Statutes.

§ 164-1. Title of revision. — This revision shall be known as the "General Statutes of North Carolina" and may be cited in either of the following ways: "General Statutes of North Carolina"; or "General Statutes"; or "G.S."

§ 164-2. Effect as to repealing other statutes. — All public and general statutes not contained in the General Statutes of North Carolina are hereby repealed with the exceptions and limitations hereafter mentioned in this Chapter. No statute or law which has been heretofore repealed shall be revived by the repeal contained in any of the sections of the General Statutes of North Carolina or by the omission of any repealing statute from the General Statutes. All public and general statutes enacted at the regular session of the General Assembly of 1943 shall be deemed to repeal any conflicting provisions of the General Statutes of North Carolina.

Cited in Baker v. Varser, 240 N.C. 260, 82 S.E.2d 90 (1954).

§ 164-3. Repeal not to affect rights accrued or suits commenced. — The repeal of the statutes described in G.S. 164-2 shall not affect any act done, any right accruing, accrued or established, or any action or proceeding had or commenced in any case before the time when such repeal shall take effect, but

the proceedings in any such case shall be conformed, when necessary, to the provisions of the General Statutes of North Carolina.

§ 164-4. Offenses, penalties and liabilities not affected. — No offense committed, no penalty or forfeiture incurred, no liability arising, and no remedy availed of, under any of the statutes hereby repealed, before the time when such repeal shall take effect shall be affected by the repeal.

§ 164-5. Pending actions and proceedings not affected. — No action or proceeding pending at the time of the repeal, for any offense committed, or for the recovery of any penalty or forfeiture incurred under any of the statutes hereby repealed shall be affected by such repeal, except that the proceedings in such action or proceeding shall be conformed, when necessary, to the provisions of the General Statutes of North Carolina.

§ 164-6. Effect of repeal on persons holding office. — All persons who at the time the General Statutes of North Carolina becomes effective shall hold any office under any of the statutes hereby repealed shall continue to hold the same according to the tenure thereof.

§ 164-7. Statutes not repealed. — The General Statutes of North Carolina shall not have the effect of repealing statutes or provisions of statutes which affect only a particular locality, public-local or private statutes, statutes exempting pending litigation from operation of statutes, statutes relating to the boundary of the State or of any county, acts ceding or relating to the ceding of lands of the State to the federal government, statutes relating to the Cherokee lands, statutes relating to the construction or interpretation of statutes, statutes by virtue of which bonds have been issued and are outstanding on the effective date of the General Statutes, validating acts or curative statutes, or acts granting pensions to named individuals if such statutes were in force on the effective date of the General Statutes.

Applied in State v. Gales, 240 N.C. 319, 82 S.E.2d 80 (1954).

§ 164-8. General Statutes of North Carolina effective December 31, 1943. — All provisions, chapters, subdivisions of chapters and sections contained in the General Statutes of North Carolina shall be in force from and after the thirty-first day of December 1943.

Quoted in Kirby v. Stokes County Bd. of Educ., 230 N.C. 619, 55 S.E.2d 322 (1949).

§ 164-9. Completion of General Statutes by Division of Legislative Drafting and Codification of Statutes. — The Division of Legislative Drafting and Codification of Statutes of the State Department of Justice, under the direction and supervision of the Attorney General, shall complete and perfect the General Statutes, as enacted by the General Assembly of 1943, by changing all references therein to the "Code," "North Carolina Code," "Code of 1943" or "North Carolina Code of 1943" to read "General Statutes," and by causing to be inserted therein all such general public statutes as may be enacted at the 1943 Session of the General Assembly and all amendments, in their proper places in sections under the appropriate chapter and subdivisions of chapters, and by deleting all sections or portions of sections found to be expressly repealed, or found to be repealed by virtue of the repeal of any cognate sections or parts of sections of the Consolidated Statutes or session laws, and by deleting repealed provisions and substituting in lieu thereof all proper amendments of the General

Statutes or of cognate sections of the Consolidated Statutes or session laws; and the Division is hereby authorized to change the number of sections and chapters, transfer sections, chapters and subdivisions of chapters and make such other corrections which do not change the law, as may be found by the Division necessary in making an accurate, clear, and orderly statement of said laws. After the completion of such codification of the general and public laws of 1943, such laws, as they appear in the printed volumes of the General Statutes, shall be deemed an accurate codification of the statutes of 1943 contained therein. (1943, c. 15, s. 3.)

§ 164-10. Supplements to the General Statutes; rearrangement of laws, and correction of errors. — The Division of Legislative Drafting and Codification of Statutes of the Department of Justice, under the direction and supervision of the Attorney General, shall have the following duties and powers with regard to the supplements to the General Statutes:

(1) Within six months after the adjournment of each General Assembly, or as soon thereafter as possible, the Division shall cause to be published under its supervision, cumulative pocket supplements to the General Statutes, and any replacement or recompiled volumes thereof, which shall contain an accurate transcription of all laws of a general and permanent nature enacted by the General Assembly, the material contained in the next preceding pocket and interim supplements, complete and accurate annotations to the statutes, appendix and other material accumulated since the publication of the next preceding pocket and interim supplements, and a cumulative index of said material.

(2) Periodically, every six months after the publication and issuance of a cumulative pocket supplement following a session of the General Assembly, or as soon thereafter as possible, except when the publication of the cumulative pocket supplement makes it unnecessary, the Division shall cause to be published an interim supplement containing all pertinent annotations and other material found by the Division to be necessary and proper, accumulating since the publication of the said cumulative pocket supplement or the last interim supplement.

(3) In the preparation of the general and permanent laws enacted by the General Assembly the Division is hereby authorized:

a. To rearrange the order of chapters, subchapters, articles, sections and other divisions or subdivisions;

b. To provide titles for any such divisions or subdivisions and section titles or catchlines when they are not provided by such laws;

c. To adopt a uniform system of lettering or numbering sections and the various subdivisions thereof and to reletter or renumber sections and section subdivisions in accordance with such uniform system;

d. To rearrange definitions in alphabetical order;

e. To rearrange lists of counties in alphabetical order; and

f. To make such other changes in arrangement and form that do not change the law as may be found by the Division necessary for an accurate, clear and orderly codification of such general and permanent laws. (1945, c. 863; 1947, c. 150; 1951, c. 1149, s. 1; 1957, c. 1013.)

§ 164-11. Supplements prima facie statement of laws; method of citation. — (a) The supplements to the General Statutes of North Carolina, or to any replacement or recompiled volumes of the General Statutes, when printed under the supervision of the Division of Legislative Drafting and Codification of

Statutes of the Department of Justice, shall establish prima facie the general and permanent laws of North Carolina contained in said supplements.

(b) The cumulative pocket supplement may be cited as "G.S., Supp. 19 . ." and the interim supplement may be cited as ". . . G.S. In. Supp. 19 . . . . .," the blank in front of "G.S." to be filled in with the number of the interim supplement for that year. (1945, c. 863; 1951, c. 1149, s. 2.)

Cross Reference. — For subsequent law, see § 164-11.1.

§ 164-11.1. Cumulative Supplements prima facie evidence of laws. — The 1945, 1947, 1949, 1951, 1953, 1955, and 1957 Cumulative Supplements to the General Statutes of North Carolina, or to any replacement or recompiled volumes of the General Statutes as compiled and published by The Michie Company under the supervision of the Department of Justice of the State of North Carolina, are hereby constituted and declared to be prima facie evidence of the laws of North Carolina contained in said supplements. (1949, c. 45; 1951, c. 1149, s. 3; 1953, c. 140; 1955, c. 53; 1957, c. 371.)

Cross Reference. — See § 164-11.
Editor's Note. — For brief comment on this section, see 27 N.C.L. Rev. 478.

§ 164-11.2. Adoption of Volumes 2A, 2B and 2C of the General Statutes. — The chapters, subchapters, articles and sections, now comprising Volume 2 of the General Statutes of North Carolina and the Cumulative Supplements thereto, consisting of G.S. 26-1 through 105-462 now in force as amended, are hereby reenacted and designated Volumes 2A, 2B and 2C, respectively, of the General Statutes of North Carolina: Provided, that this enactment of Volumes 2A, 2B and 2C shall not include any appended annotations, editorial notes, comments, cross references, legislative or historical references, or other material collateral or supplemental to the said chapters, subchapters, articles and sections, but not contained in the body thereof. (1951, c. 900.)

§ 164-11.3. Adoption of Volumes 3A, 3B and 3C of the General Statutes. — The chapters, subchapters, articles and sections now comprising Volume 3 of the General Statutes of North Carolina, and Cumulative Supplements thereto, consisting of G.S. 106-1 through 166-13, now in force, as amended, are hereby reenacted and designated Volumes 3A, 3B and 3C respectively of the General Statutes of North Carolina. This reenactment of Volumes 3A, 3B and 3C shall not be construed to invalidate or repeal any acts which have been passed during the 1953 Session of the General Assembly, prior to February 18, 1953, nor shall this reenactment include any appended annotations, editorial notes, comments and cross references, legislative or historical references, or other material connected or supplemental to the said chapters, subchapters, articles and sections, but not contained in the body hereof. (1955, c. 43.)

§ 164-11.4. Adoption of Volumes 1A, 1B and 1C of the General Statutes. — The chapters, subchapters, articles and sections now comprising Volume 1 of the General Statutes of North Carolina, and Cumulative Supplements thereto, consisting of G.S. 1-1 through 27-59, now in force, as amended, are hereby reenacted and designated Volumes 1A, 1B and 1C respectively of the General Statutes of North Carolina. This enactment of Volumes 1A, 1B and 1C shall not be construed to invalidate or repeal any acts which have been passed during the 1955 Session of the General Assembly, prior to February 11, 1955, nor shall this enactment include any appended annotations, editorial notes, comments and

cross references, legislative or historical references, or other material connected or supplemental to the said chapters, subchapters, articles and sections, but not contained in the body hereof. (1955, c. 43.)

§ 164-11.5. Adoption of Replacement Volumes 2C and 3B of the General Statutes. — (a) The chapters, subchapters, articles and sections now comprising Volume 2C of the General Statutes of North Carolina, and Cumulative Supplement thereto, consisting of G.S. 83-1 through 105-462, now in force, as amended, are hereby reenacted and designated Replacement Volume 2C of the General Statutes of North Carolina.

(b) The chapters, subchapters, articles and sections now comprising Volume 3B of the General Statutes of North Carolina, and Cumulative Supplement thereto, consisting of G.S. 117-1 through 150-34, now in force, as amended, are hereby reenacted and designated Replacement Volume 3B of the General Statutes of North Carolina.

(c) This enactment of Replacement Volumes 2C and 3B shall not be construed to invalidate or repeal any acts which have been passed during the 1959 Session of the General Assembly, prior to February 24, 1959, nor shall this enactment include any appended annotations, editorial notes, comments and cross references, legislative or historical references, or other material connected or supplemental to the said chapters, subchapters, articles and sections, but not contained in the body hereof. (1959, c. 12.)

§ 164-11.6. Adoption of Replacement Volumes 2B and 3A of the General Statutes. — (a) The chapters, subchapters, articles and sections now comprising Volume 2B of the General Statutes of North Carolina, and Cumulative Supplement thereto, consisting of G.S. 53-1 through 82-18, now in force, as amended, are hereby reenacted and designated as Replacement Volume 2B of the General Statutes of North Carolina.

(b) The chapters, subchapters, articles and sections now comprising Volume 3A of the General Statutes of North Carolina, and Cumulative Supplement thereto, consisting of G.S. 106-1 through 116-185, now in force, as amended, are hereby reenacted and designated Replacement Volume 3A of the General Statutes of North Carolina.

(c) This enactment of Replacement Volumes 2B and 3A shall not be construed to invalidate or repeal any acts which have been passed during the 1961 Session of the General Assembly, prior to March 14, 1961, nor shall this enactment include any appended annotations, editorial notes, comments and cross references, legislative or historical references, or other material connected or supplemental to the said chapters, subchapters, articles and sections, but not contained in the body hereof. (1961, cc. 38, 185.)

§ 164-11.7. Adoption of Replacement Volumes 2B, 2C and 2D and 3B, 3C and 3D of the General Statutes. — (a) The chapters, subchapters, articles and sections now comprising Volumes 2B and 2C of the General Statutes of North Carolina, and Cumulative Supplements thereto, consisting of G.S. 53-1 to 105-462, now in force, as amended, are hereby reenacted and designated as 1965 Replacement Volumes 2B, 2C and 2D of the General Statutes of North Carolina.

(b) The chapters, subchapters, articles and sections now comprising Volumes 3B and 3C of the General Statutes of North Carolina, and Cumulative Supplements thereto, consisting of G.S. 117-1 to 167-3, now in force, as amended, are hereby reenacted and designated as 1964 Replacement Volumes 3B, 3C and 3D of the General Statutes of North Carolina.

(c) This enactment of 1965 Replacement Volumes 2B, 2C and 2D and 1964 Replacement Volumes 3B, 3C and 3D shall not be construed to invalidate or repeal any acts which have been passed during the 1965 Session of the General Assembly, prior to May 14, 1965, nor shall this enactment include any appended annotations, editorial notes, comments and cross references, legislative or

historical references, or other material connected or supplemental to the said chapters, subchapters, articles and sections, but not contained in the body hereof. (1965, c. 544.)

§ 164-11.8. Adoption of Replacement Volumes 1C, 1D, 2A and 3A of the General Statutes. — (a) The chapters, subchapters, articles and sections now comprising Volume 1C of the General Statutes of North Carolina, and Cumulative Supplements thereto, consisting of G.S. 15-1 to 27-59, now in force, as amended, are hereby reenacted and designated as 1965 Replacement Volumes 1C and 1D of the General Statutes of North Carolina.

(b) The chapters, subchapters, articles and sections now comprising 1950 Recompiled Volume 2A of the General Statutes of North Carolina, and Cumulative Supplements thereto, consisting of G.S. 28-1 to 52A-20, now in force, as amended, is hereby reenacted and designated as 1966 Replacement Volume 2A of the General Statutes of North Carolina.

(c) The chapters, subchapters, articles and sections now comprising 1960 Replacement Volume 3A of the General Statutes of North Carolina, and Cumulative Supplements thereto, consisting of G.S. 106-1 to 116-211, now in force, as amended, is hereby reenacted and designated as 1966 Replacement Volume 3A of the General Statutes of North Carolina.

(d) This enactment of 1965 Replacement Volumes 1C and 1D and 1966 Replacement Volumes 2A and 3A shall not be construed to invalidate or repeal any acts which have been passed during the 1967 Session of the General Assembly, prior to the date of ratification, nor shall this enactment include any appended annotations, editorial notes, comments and cross references, legislative or historical references, or other material connected or supplemental to said chapters, subchapters, articles and sections, but not contained in the body hereof. (1967, c. 1266.)

§ 164-11.9. Adoption of 1969 Replacement Volumes 1A and 1B of the General Statutes. — (a) The chapters and sections thereof now comprising Volume 1A of the General Statutes of North Carolina, and Cumulative Supplement thereto, consisting of G.S. 1-1 through 1B-8 now in force, as amended, are hereby reenacted and designated as 1969 Replacement Volume 1A of the General Statutes of North Carolina.

(b) The chapters and sections thereof now comprising Volume 1B of the General Statutes of North Carolina and Cumulative Supplement thereto, consisting of G.S. 2-1 through 14-431, now in force, as amended, are hereby reenacted and designated as 1969 Replacement Volume 1B of the General Statutes of North Carolina.

This reenactment and designation shall not operate as ratification of the judgment of the editors in placing certain sections of this volume in the "1970 Interim Supplement" to Volume 1B. Such sections shall be treated in all respects as if they appear within the bound replacement volume. (1971, c. 135.)

ARTICLE 2.

The General Statutes Commission.

§ 164-12. Creation; name. — There is hereby created and established a commission to be known as "The General Statutes Commission." (1945, c. 157.)

Editor's Note. — For article on the North Carolina General Statutes Commission, see 46 N.C.L. Rev. 469 (1968).

State Government Reorganization. — The General Statutes Commission was transferred to the Department of Justice by § 143A-53, enacted by Session Laws 1971, c. 864.

§ 164-13. Duties; use of funds. — (a) It shall be the duty of the Commission:

(1) To advise and cooperate with the Division of Legislative Drafting and Codification of Statutes of the Department of Justice in the work of continuous statute research and correction for which the Division is made responsible by G.S. 114-9(3).

(2) To advise and cooperate with the Division of Legislative Drafting and Codification of Statutes in the preparation and issuance by the Division of supplements to the General Statutes pursuant to G.S. 114-9(2).

(3) To make a continuing study of all matters involved in the preparation and publication of modern codes of law.

(4) To recommend to the General Assembly the enactment of such substantive changes in the law as the Commission may deem advisable.

(b) Funds made available to the Commission by appropriation of the General Assembly, by allotment from the Contingency and Emergency Fund, or otherwise, may be used to employ the services of persons especially qualified to assist in the work of the Commission and for necessary clerical assistance. (1945, c. 157; 1951, c. 761; 1957, c. 1405; 1969, c. 541, s. 3; 1971, c. 1093, s. 7.)

Cross Reference. — As to subsequent statute relating to duties of Revisor of Statutes in regard to § 114-9, subdivision (3), see § 114-9.1.

§ 164-14. Membership; appointments; terms; vacancies. — (a) The Commission shall consist of 11 members, who shall be appointed as follows:

(1) One member, by the president of the North Carolina State Bar;

(2) One member, by the General Statutes Commission;

(3) One member, by the dean of the school of law of the University of North Carolina;

(4) One member, by the dean of the school of law of Duke University;

(5) One member, by the dean of the school of law of Wake Forest University;

(6) One member, by the Speaker of the House of Representatives of each General Assembly from the membership of the House;

(7) One member, by the President of the Senate of each General Assembly from the membership of the Senate;

(8) Two members, by the Governor;

(9) One member, by the dean of the school of law of North Carolina Central University;

(10) One member by the president of the North Carolina Bar Association.

(b) Appointments of original members of the Commission made by the president of the North Carolina State Bar, the president of the North Carolina Bar Association, and the deans of the schools of law of Duke University, the University of North Carolina, and Wake Forest College shall be for one year. Appointments of original members of the Commission made by the Speaker of the House of Representatives, the President of the Senate, and the Governor shall be for two years.

(c) After the appointment of the original members of the Commission, appointments by the president of the North Carolina State Bar, the General Statutes Commission, and the deans of the schools of law of North Carolina Central University, Duke University, the University of North Carolina, and Wake Forest University shall be made in the even-numbered years, and appointments made by the Speaker of the House of Representatives, the President of the Senate, president of the North Carolina Bar Association and the Governor shall be made in the odd-numbered years. Such appointments shall be made for two-year terms beginning June first of the year when such appointments are to become effective and expiring May 31 two years thereafter.

All such appointments shall be made not later than May 31 of the year when such appointments are to become effective.

(d) If any appointment provided for by this section is not made prior to June first of the year when it should become effective, a vacancy shall exist with respect thereto, and the vacancy shall then be filled by appointment by the Governor. If any member of the Commission dies or resigns during the term for which he was appointed, his successor for the unexpired term shall be appointed by the person who made the original appointment, as provided in G.S. 164-14, or by the successor of such person; and if such vacancy is not filled within 30 days after the vacancy occurs, it shall then be filled by appointment by the Governor. In any case where an appointment authorized to be made by G.S. 164-14(c) has not been made on or before July 31 of the year in which it was due to be made, a vacancy shall exist with respect to that appointment and the General Statutes Commission at its next meeting shall by majority vote fill the vacancy by appointment.

(e) All appointments shall be reported to the secretary of the Commission.

(f) Notwithstanding the expiration of the term of the appointment, the terms of members of the General Statutes Commission shall continue until the appointment of a successor has been made and reported to the secretary of the Commission. (1945, cc. 157, 635; 1947, c. 114, s. 3; 1967, cc. 17, 1230; 1969, c. 541, s. 4; 1971, c. 1, ss. 1, 2; c. 76; 1975, c. 394, ss. 1, 2.)

Editor's Note. — The 1975 amendment substituted "11" for "10" in the introductory language in subsection (a), added subdivision (10) of subsection (a) and inserted "president of the North Carolina Bar Association" near the end of the first sentence of subsection (c).

§ 164-15. Meetings; quorum. — The Commission shall hold not less than two regular meetings each year, of which one shall be held in June and one in November, at such times during those months as may be fixed therefor by the Commission itself. The Commission may hold such other regular meetings as it may provide for by its rules. Special meetings may be called by the chairman, or by any two members of the Commission, upon such notice and in such manner as may be fixed therefor by the rules of the Commission. The regular June and November meetings of the Commission shall be held in Raleigh, but the Commission may provide for the holding of other meetings from time to time at any other place or places in the State. The first meeting of the Commission shall be held in June 1945 upon the call of the Attorney General at such time and upon such notice as he may designate. A majority of the members of the Board shall constitute a quorum. (1945, c. 157.)

§ 164-16. Officers. — At its regular June meeting in the odd-numbered years the Commission shall elect a chairman and a vice-chairman for a term of two years and until their successors are elected and assume the duties of their positions. The Revisor of Statutes shall be ex officio secretary of the Commission. (1945, c. 157; 1947, c. 114, s. 2.)

§ 164-17. Committees; rules. — The Commission may elect, or may authorize its chairman to appoint, such committees of the Commission as it may deem proper. The Commission may adopt such rules not inconsistent with this Article as it may deem proper with respect to any and all matters relating to the discharge of its duties under this Article. (1945, c. 157.)

§ 164-18. Reports. — The Commission shall submit to each regular session of the General Assembly a report of its work during the preceding two years, together with such recommendations as it may deem proper. (1945, c. 157.)

§ 164-19. Compensation. — Members of the Commission shall be paid the amount of per diem provided by G.S. 138-5 for attendance upon meetings of the Commission, or upon attendance of meetings of committees of the Commission, together with such subsistence and travel allowance as may be provided by law. (1945, c. 157; 1969, c. 445, s. 3.)

Chapter 165.

Veterans.

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Article 1.

Department of Military and Veterans Affairs.

§ 165-1. North Carolina Veterans Commission renamed. — The North Carolina Veterans Commission is hereby renamed the Department of Military and Veterans Affairs. The Department shall assume all duties, responsibilities and powers formerly exercised by the Veterans Commission, and shall further

exercise those powers and duties prescribed in this Article and elsewhere in the General Statutes. (1967, c. 1060, s. 1; 1973, c. 620, s. 9.)

Cross Reference. — As to Department of Military and Veterans Affairs, see §§ 143B-246 through 143B-255.

Revision of Article. — Session Laws 1967, c. 1060, s. 1, rewrote the former Article, which also consisted of 11 sections and derived from Session Laws 1945, c. 723, s. 1; c. 1087; 1949, c. 430, ss. 1, 2; c. 1292; 1951, c. 1048, ss. 1, 2; 1957, c. 541, s. 19. The 1967 act so changed the provisions of the former Article that no detailed explanation of the changes has been attempted, but where present sections are similar to prior provisions, the historical citations have been added.

State Government Reorganization. — The Department and Board of Veterans Affairs were transferred to the Department of Military and Veterans' Affairs by § 143A-236, enacted by Session Laws 1971, c. 864.

§ 165-2. References changed. — Wherever in the General Statutes the words "North Carolina Veterans Commission" appear, the same shall be stricken out and the words "North Carolina Department of Veterans Affairs" inserted in lieu thereof. (1967, c. 1060, s. 1.)

§ 165-3. Definitions. — Wherever used in this Article, unless the context otherwise requires, the terms defined in this section shall have the following meaning:

(1) "Commission" means the Veterans Affairs Commission.

(2) "Department" means the North Carolina Department of Veterans Affairs, an agency of the government of the State of North Carolina.

(3) Repealed by Session Laws 1973, c. 620, s. 9.

(4) "Veteran" means

a. For qualifying as a voting member of the State Board of Veterans Affairs and as the State Director of Veterans Affairs, a person who served honorably during a period of war as defined in Title 38, United States Code.

b. For entitlement to the services of the Department of Veterans Affairs, any person who may be entitled to any benefits or rights under the laws of the United States by reason of service in the armed forces of the United States.

(5) "Veterans' organization" means any organization of veterans which has been chartered by an act of the United States Congress and is legally constituted and operating in this State pursuant to said charter. (1945, c. 723, s. 1; 1949, c. 430, s. 1; 1967, c. 1060, s. 1; 1973, c. 620, s. 9.)

§ 165-4. Purpose. — The purpose of this Article is to provide assistance to veterans, their families and their dependents, in obtaining or maintaining privileges, rights and benefits to which they are entitled under federal, State or local laws. (1945, c. 723, s. 1; 1967, c. 1060, s. 1.)

§ 165-5: Repealed by Session Laws 1973, c. 620, s. 9.

§ 165-6. Powers and duties of the Department. — In furtherance of the stated purpose of this Article, the Department is hereby authorized and empowered to do the following:

(1) To assist veterans, their families, and dependents in the presentation, processing, proof, and establishment of such claims, privileges, rights, and benefits as they may be entitled to under federal, State, or local laws, rules, and regulations.

(2) To aid persons in active military service and their dependents with problems arising out of said service which come reasonably within the purview of the Department's program of assistance.

(3) To collect data and information as to the facilities and services available to veterans, their families, and dependents and to cooperate with agencies furnishing information or services throughout the State in order to inform such agencies regarding the availability of (i) education, training and retraining facilities, (ii) health, medical, rehabilitation, and housing services and facilities, (iii) employment and reemployment services, (iv) provisions of federal, State, and local laws, rules, and regulations affording rights, privileges, and benefits to veterans, their families, and dependents, and in respect to such other matters of similar, related, or appropriate nature not herein set out.

(4) To establish such field offices, facilities and services throughout the State as may be necessary to carry out the purposes of this Article.

(5) To cooperate, as the Department deems appropriate, with governmental, private and civic agencies and instrumentalities in securing services or benefits for veterans, their families, dependents and beneficiaries.

(6) To accept any property, funds, service, or facilities from any source, public or private, granted in aid or furtherance of the administration of the provisions of this Article.

(7) To enter into any contract or agreement with any person, firm, or corporation, or governmental agency or instrumentality in furtherance of the purposes of this Article, and to make all rules and regulations necessary for the proper and effective administration of its duties.

(8) It shall be the duty of the Department to train, supervise and assist the employees of any county, city or town who are engaged in veterans service. Authority is hereby granted the governing body of any county, city or town to appropriate such amounts as it may deem necessary to provide a veterans service program and the expenditure of such funds is hereby declared to be for a public purpose; such program shall be operated in affiliation with this Department and under its supervision as set forth above.

(9) The Department may, in its discretion, contribute to each county an amount not to exceed one thousand dollars ($1,000) on a matching basis for any fiscal year for the maintenance and operation of a county veterans service program. Participating counties shall furnish the Department such reports, accountings and other information at such times and in such form as the Department may require.

(10) Repealed by Session Laws 1973, c. 620, s. 9. (1945, c. 723, s. 1; 1949, c. 1292; 1967, c. 1060, s. 1; 1973, c. 620, s. 9.)

Local Modification. — Yancey: 1959, c. 936.

§ 165-7: Repealed by Session Laws 1973, c. 620, s. 9.

§ 165-8. Quarters. — The Department of Administration shall provide, in the City of Raleigh, adequate quarters for the central office of the Department of Military and Veterans Affairs. The Department of Military and Veterans Affairs shall procure suitable space for its field offices and other activities pursuant to applicable provisions of law and in accordance with rules adopted by the Governor with the approval of the Council of State. (1945, c. 723, s. 1; 1967, c. 1060, s. 1; 1973, c. 620, s. 9.)

§ 165-9. Appropriations. — Appropriations for the Department shall be made from the general fund of the State, and the Governor, with the approval of the Council of State, is hereby authorized and empowered to allocate from time to time from the Contingency and Emergency Fund, such funds as may be necessary to carry out the intent and purposes of this Article. (1945, c. 723, s. 1; 1967, c. 1060, s. 1.)

§ 165-10. Transfer of veterans' activities. — The Governor may transfer to the Department such funds, facilities, properties and activities now being held or administered by the State for the benefit of veterans, their families and dependents, as he may deem proper; provided, that the provisions of this section shall not apply to the activities of the North Carolina Employment Security Commission in respect to veterans. (1945, c. 723, s. 1; 1967, c. 1060, s. 1.)

§ 165-11. Copies of records to be furnished to the Department of Military and Veterans Affairs. — (a) Whenever copies of any State and local public records are requested by a representative of the Department of Military and Veterans Affairs in assisting persons in obtaining any federal, State, local or privately provided benefits relating to veterans and their beneficiaries, the official charged with the custody of any such records shall without charge furnish said representative with the requested number of certified copies of such records; provided, that this section shall not apply to the disclosure of information in certain privileged and confidential records referred to elsewhere in the General Statutes of North Carolina, which information shall continue to be disclosed in the manner prescribed by the statute relating thereto.

(b) No official chargeable with the collection of any fee or charge under the laws of the State of North Carolina in connection with his official duties shall be held accountable on his official bond or otherwise for any fee or charge remitted pursuant to the provisions of this section. (1967, c. 1060, s. 1; 1973, c. 620, s. 9.)

ARTICLE 2.

Minor Veterans.

§ 165-12. Short title. — This Article may be cited as "The Minor Veterans Enabling Act." (1945, c. 770.)

Editor's Note. — For discussion of this Article, see 23 N.C.L. Rev. 359.

Quoted in Gastonia Personnel Corp. v. Rogers, 276 N.C. 279, 172 S.E.2d 19 (1970).

§ 165-13. Definition. — As used in this Article, "veteran" means any person who may be entitled to any benefits or rights under the laws of the United States, by reason of service in the armed forces of the United States. (1945, c. 770; 1967, c. 1060, s. 2.)

§ 165-14. Application of Article. — This Article applies to every person, either male or female, 18 years of age or over, but under 21 years of age, who is, or who may become, entitled to any rights or benefits under the laws of the United States relating to veterans benefits. (1945, c. 770; 1967, c. 1060, s. 3.)

§ 165-15. Purpose of Article. — The purpose of this Article is to remove the disqualification of age which would otherwise prevent persons to whom this Article applies from taking advantage of any right or benefit to which they may be or may become entitled under the laws of the United States relating to veterans benefits, and to assure those dealing with such minor persons that the acts of such minors shall not be invalid or voidable by reason of the age of such minors, but shall in all respects be as fully binding as if said minors had attained their majority; and this Article shall be liberally construed to accomplish that purpose. (1945, c. 770; 1967, c. 1060, s. 4.)

§ 165-16. Rights conferred; limitation. — (a) Every person to whom this Article applies is hereby authorized and empowered, in his or her own name without order of court or the intervention of any guardian or trustee:

(1) To purchase or lease any property, either real or personal, or both, which such person may deem it desirable to purchase or lease in order to avail himself or herself of any of the benefits of the laws of the United States relating to veterans benefits, and take title to such property in his or her own name or in the name of himself or herself and spouse.

(2) To execute any note or similar instrument for any part or all of the purchase price of any property purchased pursuant to subdivision (1) of this section and to secure the payment thereof by retained title contract, mortgage, deed of trust or other similar or appropriate instrument.

(3) To execute any other contract or instrument which such person may deem necessary in order to enable such person to secure the benefits of the laws of the United States relating to veterans benefits.

(4) To execute any contract or instrument which such person may deem necessary or proper in order to enable such person to make full use of any property purchased pursuant to the provisions of the laws of the United States relating to veterans benefits, including the right to dispose of such property; such contracts to include but not to be limited to the following:

a. With respect to a home: Contracts for insurance, repairs, and services such as gas, water, and lights, and contracts for furniture and other equipment.

b. With respect to a farm: Contracts such as are included in paragraph (a) of this subdivision (4) above, together with contracts for livestock, seeds, fertilizer and farm equipment and machinery, and contracts for farm labor and other farm services.

c. With respect to a business: Contracts such as are included in paragraph (a) of this subdivision (4), together with such other contracts as such person may deem necessary or proper for the maintenance and operation of such business.

(b) Every person to whom this Article applies may execute such contracts as are hereby authorized in his own name without any order from any court, and without the intervention of a guardian or trustee, and no note, mortgage, conveyance, deed of trust, contract, or other instrument, conveyance or action within the purview of this Article shall be invalid, voidable or defective by reason of the fact that the person executing or performing the same was at the time a minor.

(c) In respect to any action at law or special proceeding in relation to any transaction within the purview of this Article, every minor person to whom this Article applies shall appear and plead in his or her own name and right without the intervention of any guardian or trustee, and every such minor person shall be considered a legal party to any such action at law or special proceeding in all respects as if such person had attained the age of 21 years. No such minor shall hereafter interpose the defense of lack of legal capacity by reason of age in connection with any transaction within the purview of this Article, nor disavow any such transaction upon coming of age.

(d) All such authority and power as are conferred by this Article are subject to all applicable provisions of the laws of the United States relating to veterans benefits. (1945, c. 770; 1967, c. 1060, s. 5.)

Article 3.

Minor Spouses of Veterans.

§ 165-17. Definition. — As used in this Article, "veteran" means any person who may be entitled to any benefits or rights under the laws of the United States,

by reason of service in the armed forces of the United States. (1945, c. 771; 1967, c. 1060, s. 6.)

§ 165-18. Rights conferred. — (a) Any person under the age of 18 years who is the husband or wife of a veteran, is hereby authorized and empowered in his or her own name, and without any order of court or the intervention of a guardian or trustee, to execute any and all contracts, conveyances, and instruments, to take title to property, to defend any action at law, and to do all other acts necessary to make fully available to such veteran, his or her family or dependents, all rights and benefits under the laws of the United States relating to veterans benefits, in as full and ample manner as if such minor husband or wife of such veteran had attained the age of 18 years.

(b) Any person under the age of 18 years, who is the husband or wife of a veteran, is hereby authorized and empowered in his or her own name, and without any order of court or the intervention of a guardian or trustee, to join in the execution of any contract, deed, conveyance or other instrument which may be deemed necessary to enable his or her veteran spouse to make full use of any property purchased pursuant to the provisions of the foregoing subsection, including the right to dispose of such property.

(c) With respect to any action at law or special proceeding in relation to any transaction within the purview of this Article, every minor person to whom this Article applies shall appear and plead in his or her own name and right without the intervention of any guardian or trustee; and every such minor person shall be considered a legal party to any such action at law or special proceeding in all respects as if such person had attained the age of 18 years. No such minor shall hereafter interpose the defense of lack of legal capacity by reason of age in connection with any transaction within the purview of this Article, nor disavow any such transaction upon coming of age. (1945, c. 771; 1947, c. 905, ss. 1, 2; 1967, c. 1060, s. 7; 1971, c. 1231, s. 1; 1973, c. 1446, s. 12.)

Authority to suspend accrued statutory rights may not be reasonably implied from the general terms of this section. Harrill v. Teachers' & State Employees' Retirement Sys., 271 N.C. 357, 156 S.E.2d 702 (1967).

ARTICLE 4.

Scholarships for Children of War Veterans.

§ 165-19. Purpose. — In appreciation for the service and sacrifices of North Carolina's war veterans and as evidence of this State's concern for their children, there is hereby continued a revised program of scholarships for said children as set forth in this Article. (1967, c. 1060, s. 8.)

§ 165-20. Definitions. — As used in this Article the terms defined in this section shall have the following meaning:

(1) "Active federal service" means full-time duty in the armed forces other than active duty for training; however, if disability or death occurs while on active duty for training (i) as a direct result of armed conflict or (ii) while engaged in extra-hazardous service, including such service under conditions simulating war, such active duty for training shall be considered as active federal service.

(2) "Armed forces" means the army, navy, marine corps, air force and coast guard, including their reserve components.

(3) "Child" means a person who has completed high school or its equivalent prior to receipt of a scholarship as may be awarded under this Article and who further meets one of the following requirements:

a. A person whose veteran parent was a legal resident of North Carolina at the time of said veteran's entrance into that period of

service in the armed forces during which eligibility is established under G.S. 165-22.

b. A veteran's child who was born in North Carolina and has lived in North Carolina continuously since birth. Provided, that the requirement in the preceding sentence as to birth in North Carolina may be waived by the Department of Military and Veterans Affairs if it is shown to the satisfaction of the Department that the child's mother was a native-born resident of North Carolina and was such resident at the time of her marriage to the veteran and was outside the State temporarily at the time of the child's birth, following which the child was returned to North Carolina within a reasonable period of time where said child has since lived continuously.

c. A person meeting either of the requirements set forth in subdivision (3)a or b above, and who was legally adopted by the veteran prior to said person's reaching the age of six years.

(4) "Period of war" and "wartime" shall mean any of the periods or circumstances as defined below:

a. World War I, meaning (i) the period beginning on April 6, 1917 and ending on November 11, 1918, and (ii) in the case of a veteran who served with the United States armed forces in Russia, the period beginning on April 6, 1917 and ending on April 1, 1920.

b. World War II, meaning the period beginning on December 7, 1941 and ending on December 31, 1946.

c. Korean Conflict, meaning the period beginning on June 27, 1950 and ending on January 31, 1955.

d. Vietnam era, meaning the period beginning on August 5, 1964, and ending on such date as shall be prescribed by Presidential proclamation or concurrent resolution of the Congress.

e. Any period of service in the armed forces during which the veteran parent of an applicant for a scholarship under this Article suffered death or disability (i) as a direct result of armed conflict or (ii) while engaged in extra-hazardous service, including such service under conditions simulating war.

(5) "Private educational institution" means any junior college, senior college or university which is operated and governed by private interests not under the control of the federal, State or any local government, which is located within the State of North Carolina, which does not operate for profit, whose curriculum is primarily directed toward the awarding of associate, baccalaureate or graduate degrees, which agrees to the applicable administration and funding provisions of G.S. 165-22.1, of this Article, and which is otherwise approved by the State Board of Veterans Affairs.

(6) "State educational institution" means any educational institution of higher learning which is owned and operated by the State of North Carolina, or any community college operated under the provisions of Chapter 115A and Article 3 of Chapter 116 of the General Statutes of North Carolina, or the college program of the North Carolina School of the Arts, or any technical institute operated under the provisions of Chapter 115A of the General Statutes of North Carolina.

(7) "Veteran" means a person who served as a member of the armed forces of the United States in active federal service during a period of war and who was separated from the armed forces under conditions other than dishonorable. A person who was separated from the armed forces under conditions other than dishonorable and whose death or disability was incurred (i) as a direct result of armed conflict or (ii) while engaged in extra-hazardous service, including such service under conditions

simulating war, shall also be deemed a "veteran" and such death or disability shall be considered wartime service-connected. (1967, c. 1060, s. 8; 1969, c. 720, s. 3; c. 741, ss. 1, 2; 1971, c. 339; 1973, c. 620, s. 9; c. 755; 1975, c. 160, s. 1.)

Editor's Note. — The 1975 amendment added "that period of service in" and "during which eligibility is established under G.S. 165-22" in paragraph a of subdivision (3).

§ 165-21. Scholarship. — A scholarship granted pursuant to this Article shall consist of the following benefits in either a State or private educational institution:

(1) With respect to State educational institutions, unless expressly limited elsewhere in this Article, a scholarship shall consist of:
   a. Tuition,
   b. A reasonable board allowance,
   c. A reasonable room allowance,
   d. Matriculation and other institutional fees required to be paid as a condition to remaining in said institution and pursuing the course of study selected, excluding charges or fees for books, supplies, tools and clothing.

(2) With respect to private educational institutions, a scholarship shall consist of a monetary allowance as prescribed in G.S. 165-22.1(d).

(3) Only one scholarship may be granted pursuant to this Article with respect to each child and it shall not extend for a longer period than four academic years, which years, however, need not be consecutive. (1967, c. 1060, s. 8; 1969, c. 741, s. 3; 1975, c. 137, s. 1.)

Editor's Note. — The 1975 amendment rewrote paragraph d of subdivision (1).

§ 165-22. Classes or categories of eligibility under which scholarships may be awarded. — A child, as defined in this Article, who falls within the provisions of any eligibility class described below shall, upon proper application be considered for a scholarship, subject to the provisions and limitations set forth for the class under which he is considered:

(1) Class I-A: Under this class a scholarship shall be awarded to any child whose veteran parent
   a. Was killed in action or died from wounds or other causes not due to his own wilful misconduct while a member of the armed forces during a period of war, or
   b. Has died of service-connected injuries, wounds, illness or other causes incurred or aggravated during wartime service in the armed forces, as rated by the United States Veterans Administration.

(2) Class I-B: Under this class a limited scholarship providing only those benefits set forth in G.S. 165-21(1)a and d and G.S. 165-21(2) of this Article, shall be awarded to any child whose veteran parent, at the time the benefits pursuant to this Article are sought to be availed of, is or was at the time of his death receiving compensation for a wartime service-connected disability of one hundred percent (100%) as rated by the United States Veterans Administration. Provided, that if the veteran parent of a recipient under this class should die of his wartime service-connected condition before the recipient shall have utilized all of his scholarship eligibility time, then the North Carolina Department of Veterans Affairs shall amend the recipient's award from Class I-B to Class I-A for the remainder of the recipient's eligibility time. The

effective date of such an amended award shall be determined by the Department of Military and Veterans Affairs, but, in no event shall it predate the date of the veteran parent's death.

(3) Class II: Under this class a scholarship may be awarded to not more than 100 children yearly, each of whose veteran parent, at the time the benefits pursuant to this Article are sought to be availed of,

a. Is or was at the time of his death receiving compensation for a wartime service-connected disability of thirty percent (30%) or more, but less than one hundred percent (100%), as rated by the United States Veterans Administration, or

b. Is or was at the time of his death receiving wartime compensation for a statutory award for arrested pulmonary tuberculosis, as rated by the United States Veterans Administration, or

c. Repealed by Session Laws 1975, c. 160, s. 2.

(4) Class III: Under this class a scholarship may be awarded to not more than 100 children yearly, each of whose veteran parent, at the time the benefits pursuant to this Article are sought to be availed of, is or was at the time of his death drawing pension for permanent and total disability, nonservice-connected, as rated by the United States Veterans Administration.

(5) Class IV: Under this class a scholarship as defined in G.S. 165-21 shall be awarded to any child whose parent, while serving honorably as a member of the armed forces of the United States in active federal service during a period of war, as defined in G.S. 165-20(4), was listed by the United States government as (i) missing in action, (ii) captured in line of duty by a hostile force, or (iii) forcibly detained or interned in line of duty by a foreign government or power. (1967, c. 1060, s. 8; 1973, cc. 197, 577; c. 620, s. 9; 1975, c. 160, s. 2; c. 167, s. 1.)

Editor's Note. — The first 1975 amendment repealed paragraph c of subdivision (3), which formerly made eligible for scholarships the children of certain prisoners of war wounded in combat.

The second 1975 amendment deleted "for a total of more than 90 days" following "United States government" in subdivision (5).

§ 165-22.1. Administration and funding. — (a) The administration of the scholarship program shall be vested in the Department of Military and Veterans Affairs, and the disbursing and accounting activities required shall be a responsibility of the Department of Administration. The Veterans Affairs Commission shall determine the eligibility of applicants, select the scholarship recipients, establish the effective date of scholarships, and may suspend or revoke scholarships if the said Veterans Affairs Commission finds that the recipient does not maintain an adequate academic status, or if the recipient engages in riots, unlawful demonstrations, the seizure of educational buildings, or otherwise engages in disorderly conduct, breaches of the peace or unlawful assemblies. The Department of Military and Veterans Affairs shall maintain the primary and necessary records, and the Veterans Affairs Commission shall promulgate such rules and regulations not inconsistent with the other provisions of this Article as it deems necessary for the orderly administration of the program. It may require of State or private educational institutions, as defined in this Article, such reports and other information as it may need to carry out the provisions of this Article. The Department of Administration shall disburse scholarship payments for recipients certified eligible by the Department of Military and Veterans Affairs upon certification of enrollment by the enrolling institution.

(b) Funds for the support of this program shall be appropriated to the Department of Administration as a reserve for payment of the allocable costs for room, board, tuition, and other charges, and shall be placed in a separate budget code from which disbursements shall be made. In the event the said appropriation for any year is insufficient to pay the full amounts allocable under the provisions of this Article, such supplemental sums as may be necessary shall be allocated from the Contingency and Emergency Fund. The method of disbursing and accounting for funds allocated for payments under the provisions of this section shall be in accordance with those standards and procedures prescribed by the Director of the Budget, pursuant to the Executive Budget Act.

(c) Allowances for room and board in State educational institutions shall be at such rate as the Director of the Budget may determine to be reasonable.

(d) Scholarship recipients electing to attend a private educational institution shall be granted a monetary allowance for each term or other academic period attended under their respective scholarship awards. All recipients under Class I-B scholarship shall receive an allowance at one rate, irrespective of course or institution; all recipients under Classes I-A, II, III and IV shall receive a uniform allowance at a rate higher than for Class I-B, irrespective of course or institution. The amount of said allowances shall be determined by the Director of the Budget and made known prior to the beginning of each fall quarter or semester; provided that the Director of the Budget may change the allowances at intermediate periods when in his judgment such changes are necessary. Disbursements by the State shall be to the private institution concerned, for credit to the account of each recipient attending said institution. The manner of payment to any private institution shall be as prescribed by the Department of Administration. The participation by any private institution in the program shall be subject to the applicable provisions of this Article and to examination by State auditors of the accounts of scholarship recipients attending or having attended private institutions. The Veterans Affairs Commission may defer making an award or may suspend an award in any private institution which does not comply with the provisions of this Article relating to said institutions.

(e) Irrespective of other provisions of this Article, the Veterans Affairs Commission may prescribe special procedures for adjusting the accounts of scholarship recipients who for reasons of illness, physical inability to attend class or for other valid reason satisfactory to the Veterans Affairs Commission may withdraw from State or private educational institutions prior to the completion of the term, semester, quarter or other academic period being attended at the time of withdrawal. Such procedures may include, but shall not be limited to, paying the recipient the dollar value of his unused entitlements for the academic period being attended, with a corresponding deduction of this period from his remaining scholarship eligibility time. (1967, c. 1060, s. 8; 1969, c. 720, ss. 4, 5; c. 741, s. 4; 1971, c. 458; 1973, c. 620, s. 9; 1975, c. 19, s. 71; c. 160, s. 3.)

Editor's Note. — The first 1975 amendment corrected an error by substituting "a" for "an" preceding "uniform allowance" in the second sentence of subsection (d).

The second 1975 amendment substituted "Classes I-A, II, III and IV" for "Classes I-A, II and III" in the second sentence of subsection (d).

ARTICLE 5.

Veterans' Recreation Authorities.

§ 165-23. Short title. — This Article may be referred to as the "Veterans' Recreation Authorities Law." (1945, c. 460, s. 1.)

This Article is valid, as it is for a public purpose and in the public interest. Brumley v. Baxter, 225 N.C. 691, 36 S.E.2d 281, 162 A.L.R. 930 (1945).

Article Does Not Authorize City to Make Absolute Grant. — The act under which the veterans' recreational center was created does not authorize the city to make an absolute grant of its property upon such terms that in the event the grantee determines the public purpose has failed, or the recreational facilities placed thereon for veterans are not being sufficiently used, the grantee may dispose of the property in its discretion and apply the proceeds to such charity as it may elect. Brumley v. Baxter, 225 N.C. 691, 36 S.E.2d 281, 162 A.L.R. 930 (1945).

§ 165-24. Finding and declaration of necessity. — It is hereby declared that conditions resulting from the concentration in various cities and towns of the State having a population of more than one hundred thousand inhabitants of persons serving in the armed forces in connection with the present war, or who after having served in the armed services during the present war, or previously have been honorably discharged, require the construction, maintenance and operation of adequate recreation facilities for the use of such persons; that it is in the public interest that adequate recreation facilities be provided in such concentrated centers; and the necessity, in the public interest, for the provisions hereinafter enacted is hereby declared as a matter of legislative determination. (1945, c. 460, s. 2.)

§ 165-25. Definitions. — The following terms, wherever used or referred to in this Article, shall have the following respective meanings, unless a different meaning clearly appears from the context:

(1) "Authority" or "recreation authority" shall mean a public body and a body corporate and politic organized in accordance with the provisions of this Article for the purposes, with the powers and subject to the restrictions hereinafter set forth.

(2) "City" shall mean the city or town having a population of more than one hundred thousand inhabitants (according to the last federal census) which is, or is about to be, included in the territorial boundaries of an authority when created hereunder.

(3) "City clerk" and "mayor" shall mean the clerk and mayor, respectively, of the city or the officers thereof charged with the duties customarily imposed on the clerk and mayor, respectively.

(4) "Commissioner" shall mean one of the members of an authority appointed in accordance with the provisions of this Article.

(5) "Council" shall mean the legislative body, council, board of commissioners, board of trustees, or other body charged with governing the city.

(6) "Federal government" shall include the United States of America, the Federal Emergency Administration of Public Works or any agency, instrumentality, corporate or otherwise, of the United States of America.

(7) "Government" shall include the State and federal governments and any subdivision, agency or instrumentality, corporate or otherwise, of any of them.

(8) "Real property" shall include lands, lands under water, structures, and any and all easements, franchises and incorporeal hereditaments and every estate and right therein, legal and equitable, including terms for years and liens by way of judgment, mortgage or otherwise.

(9) "State" shall mean the State of North Carolina.

(10) "Veteran" shall include every person who has enlisted or who has been inducted, warranted or commissioned, and who served honorably in active duty in the military or naval service of the United States at any time, and who is honorably separated or discharged from such service, or who, at the time of making use of the facilities, is still in active

service, or has been retired, or who has been furloughed to a reserve. This definition shall be liberally construed, with a view completely to effectuate the purpose and intent of this Article.

(11) "Veterans' recreation project" shall include all real and personal property, buildings and improvements, offices and facilities acquired or constructed, or to be acquired or constructed, pursuant to a single plan or undertaking to provide recreation facilities for veterans in concentrated centers of population. The term "veterans' recreation project" may also be applied to the planning of the buildings and improvements, the acquisition of property, the construction, reconstruction, alteration and repair of the improvements, and all other work in connection therewith. (1945, c. 460, s. 3.)

§ 165-26. Creation of authority. — If the council of any city in the State having a population of more than one hundred thousand, according to the last federal census, shall, upon such investigation as it deems necessary, determine:

(1) That there is a lack of adequate veterans' recreation facilities and accommodations from the operations of public or private enterprises in the city and surrounding area; and/or

(2) That the public interest requires the construction, maintenance or operation of a veterans' recreation project for the veterans thereof, the council shall adopt a resolution so finding (which need not go into any detail other than the mere finding), and shall cause notice of such determination to be given to the mayor, who shall thereupon appoint, as hereinafter provided, five commissioners to act as an authority. Said Commission shall be a public body and a body corporate and politic upon the completion of the taking of the following proceedings:

The commissioners shall present to the Secretary of State an application signed by them, which shall set forth (without any detail other than the mere recital): (i) that the council has made the aforesaid determination after such investigation, and that the mayor has appointed them as commissioners; (ii) the name and official residence of each of the commissioners, together with a certified copy of the appointment evidencing their right to office, the date and place of induction into and taking oath of office, and that they desire the recreation authority to become a public body and a body corporate and politic under this Article; (iii) the term of office of each of the commissioners; (iv) the name which is proposed for the corporation; and (v) the location and the principal office of the proposed corporation. The application shall be subscribed and sworn to by each of the said commissioners before an officer authorized by the laws of the State to take and certify oaths, who shall certify upon the application that he personally knows the commissioners and knows them to be the officers as asserted in the application, and that each subscribed and swore thereto in the officer's presence. The Secretary of State shall examine the application, and if he finds that the name proposed for the corporation is not identical with that of a person or of any other corporation of this State or so nearly similar as to lead to confusion and uncertainty, he shall receive and file it and shall record it in an appropriate book of record in his office.

When the application has been made, filed and recorded, as herein provided, the authority shall constitute a public body and a body corporate and politic under the name proposed in the application; the Secretary of State shall make and issue to the said commissioners a certificate of incorporation pursuant to this Article, under the seal of the State, and shall record the same with the application.

The boundaries of such authority shall include said city and the area within 10 miles from the territorial boundaries of said city, but in no event shall it include the whole or a part of any other city nor any area included within the boundaries of another authority. In case an area lies within 10 miles of the

boundaries of more than one city, such area shall be deemed to be within the boundaries of the authority embracing such area which was first established, all priorities to be determined on the basis of the time of the issuance of the aforesaid certificates by the Secretary of State. After the creation of an authority, the subsequent existence within its territorial boundaries of more than one city shall in no way affect the territorial boundaries of such authority.

In any suit, action or proceeding involving the validity or enforcement of or relating to any contract of the authority, the authority shall be conclusively deemed to have been established in accordance with the provisions of this Article upon proof of the issuance of the aforesaid certificate by the Secretary of State. A copy of such certificate, duly certified by the Secretary of State, shall be admissible evidence in any such suit, action or proceeding, and shall be conclusive proof of the filing and contents thereof. (1945, c. 460, s. 4.)

§ 165-27. Appointment, qualifications and tenure of commissioners. — An authority shall consist of five commissioners appointed by the mayor, and he shall designate the first chairman.

Of the commissioners who are first appointed, two shall serve for a term of one year, two for a term of three years, and one for a term of five years, and thereafter, the terms of office for all commissioners shall be five years. A commissioner shall hold office until his successor has been appointed and qualified. Vacancies shall be filled for the unexpired term. Vacancies occurring by expiration of office or otherwise shall be filled in the following manner: The mayor and the remaining commissioners shall have a joint session and shall unanimously select the person to fill the vacancy; but if they are unable to do so, then such fact shall be certified to the resident judge of the superior court of the County in which the authority is located, and he shall fill the vacancy. The mayor shall file with the city clerk a certificate of the appointment or reappointment of any commissioner, and such certificate shall be conclusive evidence of the due and proper appointment of such commissioner. A commissioner shall receive no compensation for his services, but he shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of his duties.

When the office of the first chairman of the authority becomes vacant, the authority shall select a chairman from among its members. An authority shall select from among its members a vice-chairman, and it may employ a secretary, technical experts and such other officers, agents and employees, permanent and temporary, as it may require, and shall determine their qualifications, duties, and compensation. An authority may employ its own counsel and legal staff. An authority may delegate to one or more of its agents or employees such powers or duties as it may deem proper. (1945, c. 460, s. 5.)

Local Modification. — City of Charlotte: 1961, c. 303.

§ 165-28. Duty of the authority and commissioners of the authority. — The authority and its commissioners shall be under a statutory duty to comply or to cause compliance strictly with all provisions of this Article and the laws of the State and in addition thereto, with each and every term, provision and covenant in any contract of the authority on its part to be kept or performed.

The commissioners may, in the exercise of their discretion, limit the use of recreational centers under their control in whole or in part to veterans of one sex. They shall have the authority to make rules and regulations regarding the use of the recreational centers and other matters and things coming within their jurisdiction.

They shall have the authority to appoint one or more advisory committees consisting of representatives of various veterans' organizations and others and may delegate to such committee or committees authority to execute the policies and programs of activity adopted by the commissioners. (1945, c. 460, s. 6; 1965, c. 367.)

§ 165-29. Interested commissioners or employees. — No commissioner or employee of any authority shall acquire any interest, direct or indirect, in any veterans' recreation project or in any property included or planned to be included in any project, nor shall he have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used in connection with any such project. If any commissioner or employee of an authority owns or controls an interest, direct or indirect, in any property included or planned to be included in any veterans' recreation project, he shall immediately disclose the same in writing to the authority and such disclosure shall be entered upon the minutes of the authority. Failure so to disclose such interest shall constitute misconduct in office. (1945, c. 460, s. 7.)

§ 165-30. Removal of commissioners. — The mayor may remove a commissioner for inefficiency or neglect of duty or misconduct in office, but only after the commissioner shall have been given a copy of the charges against him (which may be made by the mayor) at least 10 days prior to the hearing thereon and had an opportunity to be heard in person or by counsel.

If, after due and diligent search, a commissioner to whom charges are required to be delivered hereunder cannot be found within the county where the authority is located, such charges shall be deemed served upon such commissioner if mailed to him at his last known address as same appears upon the records of the authority.

In the event of the removal of any commissioner, the mayor shall file in the office of the city clerk a record of the proceedings, together with the charges made against the commissioner removed, and the findings thereon. (1945, c. 460, s. 8.)

§ 165-31. Powers of authority. — An authority shall constitute a public body and a body corporate and politic, exercising public powers, and having all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this Article, including the following powers in addition to others herein granted:

To sue and be sued in any court; to make, use and alter a common seal; to purchase, acquire by devise or bequest, hold and convey real and personal property; to elect and appoint, in such manner as it determines to be proper, all necessary officers and agents, fix their compensation and define their duties and obligations; to make bylaws and regulations consistent with the laws of the State, for its own government and for the due and orderly conduct of its affairs and management of its property; without limiting the generality of the foregoing, to do any and everything that may be useful and necessary in order to provide recreation for veterans. (1945, c. 460, s. 9.)

§ 165-32. Zoning and building laws. — All recreation projects of an authority shall be subject to the planning, zoning, sanitary and building laws, ordinances and regulations applicable to the locality in which the recreation project is situated. (1945, c. 460, s. 10.)

§ 165-33. Tax exemptions. — The authority shall be exempt from the payment of any taxes or fees to the State or any subdivisions thereof, or to any officer or employee of the State or any subdivision thereof. The property of an authority shall be exempt from all local, municipal and county taxes, and for the purpose of such tax exemption, it is hereby declared as a matter of legislative

determination that an authority is and shall be deemed to be a municipal corporation. (1945, c. 460, s. 11.)

§ 165-34. Reports. — The authority shall, at least once a year, file with the mayor of the city an audit report by a certified public accountant of its activities for the preceding year, and shall make any recommendations with reference to any additional legislation or other action that may be necessary in order to carry out the purposes of this Article. (1945, c. 460, s. 12.)

§ 165-35. Exemption from Local Government and County Fiscal Control Acts. — The authority shall be exempt from the operation and provisions of Chapter 60 of the Public Laws of North Carolina of 1931, known as the "Local Government Act," and the amendments thereto, and from Chapter 146 of the Public Laws of North Carolina of 1927, known as the "County Fiscal Control Act" and the amendments thereto. (1945, c. 460, s. 13.)

§ 165-36. Conveyance, lease or transfer of property by a city or county to an authority. — Any city or county, in order to provide for the construction, reconstruction, improvement, repair or management of any veterans' recreation project, or in order to accomplish any of the purposes of this Article, may, with or without consideration or for a nominal consideration, lease, sell, convey or otherwise transfer to an authority within the territorial boundaries of which such city or county it is wholly or partly located, any real, personal or mixed property, and in connection with any such transaction, the authority involved may accept such lease, transfer, assignment and conveyance, and bind itself to the performance and observation of any agreements and conditions attached thereto. Any city or county may purchase real property and convey or cause same to be conveyed to an authority. (1945, c. 460, s. 14.)

Local Modification. — Mecklenburg and city of Charlotte: 1965, c. 715, s. 1.

§ 165-37. Contracts, etc., with federal government. — In addition to the powers conferred upon the authority by other provisions of this Article, the authority is empowered to borrow money and/or accept grants from the federal government for or in aid of the construction of any veterans' recreation project which such authority is authorized by this Article to undertake, to take over any land acquired by the federal government for the construction of such a project, to take over, lease or manage any recreation project constructed or owned by the federal government, and to these ends, to enter into such contracts, mortgages, trust indentures, leases and other agreements which the federal government shall have the right to require. It is the purpose and intent of this Article to authorize every authority to do any and all things necessary to secure the financial aid and the cooperation of the federal government in the construction, maintenance and operation of any veterans' recreation project which the authority is empowered by this Article to undertake. (1945, c. 460, s. 15.)

§ 165-38. Article controlling. — Insofar as the provisions of this Article are inconsistent with the provisions of any other law, the provisions of this Article shall be controlling: Provided, that nothing in this Article shall prevent any city or municipality from establishing, equipping and operating a veterans' recreation project, or extending recreation facilities under the provisions of its charter or any general law other than this Article. (1945, c. 460, s. 17.)

ARTICLE 6.

Powers of Attorney.

§ 165-39. Validity of acts of agent performed after death of principal. — No agency created by a power of attorney in writing given by a principal who is at the time of execution, or who, after executing such power of attorney, becomes, either (i) a member of the armed forces of the United States, or (ii) a person serving as a merchant seaman outside the limits of the United States, included within the 48 states and the District of Columbia; or (iii) a person outside said limits by permission, assignment or direction of any department or official of the United States government, in connection with any activity pertaining to or connected with the prosecution of any war in which the United States is then engaged, shall be revoked or terminated by the death of the principal, as to the agent or other person who, without actual knowledge or actual notice of the death of the principal, shall have acted or shall act, in good faith, under or in reliance upon such power of attorney or agency, and any action so taken, unless otherwise invalid or unenforceable, shall be binding on the heirs, devisees, legatees, or personal representatives of the principal. (1945, c. 980, s. 1.)

§ 165-40. Affidavit of agent as to possessing no knowledge of death of principal. — An affidavit, executed by the attorney in fact or agent, setting forth that he has not or had not, at the time of doing any act pursuant to the power of attorney, received actual knowledge or actual notice of the revocation or termination of the power of attorney, by death or otherwise, or notice of any facts indicating the same, shall, in the absence of fraud, be conclusive proof of the nonrevocation or nontermination of the power at such time. If the exercise of the power requires execution and delivery of any instrument which is recordable under the laws of this State, such affidavit (when authenticated for record in the manner prescribed by law) shall likewise be recordable. (1945, c. 980, s. 2.)

§ 165-41. Report of "missing" not to constitute revocation. — No report or listing, either official or otherwise, of "missing" or "missing in action," as such words are used in military parlance, shall constitute or be interpreted as constituting actual knowledge or actual notice of the death of such principal or notice of any facts indicating the same, or shall operate to revoke the agency. (1945, c. 980, s. 3.)

§ 165-42. Article not to affect provisions for revocation. — This Article shall not be construed so as to alter or affect any provisions for revocation or termination contained in such power of attorney. (1945, c. 980, s. 4.)

ARTICLE 7.

Miscellaneous Provisions.

§ 165-43. Protecting status of State employees in armed forces, etc. — Any employee of the State of North Carolina, who has been granted a leave of absence for service in either (i) the armed forces of the United States; or (ii) the merchant marine of the United States; or (iii) outside the continental United States with the Red Cross, shall, upon return to State employment, if reemployed in the same position and if within the time limits set forth in the leave of absence, receive an annual salary of at least (i) the annual salary the employee was receiving at the time such leave was granted; plus (ii) an amount obtained by multiplying the step increment applicable to the employee's classification as provided in the classification and salary plan for State employees by the number of years of such service, counting a fraction of a year as a year; provided that

no such employee shall receive a salary in excess of the top of the salary range applicable to the classification to which such employee is assigned upon return. (1945, c. 220.)

Cross References. — As to guardians of children of servicemen, see § 33-67. As to Veterans' Guardianship Act, see Chapter 34. As to federal records and reports that person dead, missing, captured, etc., see §§ 8-37.1 through 8-37.3. As to conservators of estates of persons reported missing, captured or interned, see §§ 28A-2 through 28A-8. As to absentee voting by members of armed forces, see Chapter 163, Article 21. As to registration of official discharges from military and naval forces, see §§ 47-109 to 47-114. As to instruments proved or acknowledged before officers of certain ranks, see §§ 47-2, 47-2.1. As to salary increments for experience to teachers, etc., serving in armed forces, see § 115-151. As to exemption of veterans' pensions from taxation, see § 105-249.3. As to exemption of veterans from peddlers' license tax, see § 105-53. As to furnishing statistical records to veterans' organizations, see § 130-67. As to exemption of property of veterans' organizations from taxation, see §§ 105-278, 105-280. As to exemption of veterans' organizations from tax on billiard and pool tables, see § 105-64. As to pensions for Confederate veterans, widows and servants, see § 112-15 et seq.

§ 165-44. Korean and Vietnam veterans; benefits and privileges. — (a) All benefits and privileges now granted by the laws of this State to veterans of World War I and World War II and their dependents and next of kin are hereby extended and granted to veterans of the Korean Conflict and their dependents and next of kin.

For the purposes of this section, the term "veterans of the Korean Conflict" means those persons serving in the armed forces of the United States during the period beginning on June 27, 1950, and ending on January 31, 1955.

(b) All benefits and privileges now granted by the laws of this State to veterans of World War I, World War II, the Korean Conflict, and their dependents and next of kin are hereby extended and granted to veterans of the Vietnam era and their dependents and next of kin.

For purposes of this section, the term "veterans of the Vietnam era" means those persons serving in the armed forces of the United States during the period beginning August 5, 1964, and ending on such date as shall be prescribed by Presidential proclamation or concurrent resolution of the Congress. (1953, c. 215; 1969, c. 720, ss. 1, 2.)

Opinions of Attorney General. — Mr. John R. Parker, Sampson County Attorney, 40 N.C.A.G. 854 (1969).

Chapter 166.

Civil Preparedness Agencies.

Sec.
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166-12. Eligibility of civil preparedness personnel; oath required.
166-13. [Repealed.]

§ 166-1. Short title. — This Chapter may be cited as "North Carolina Civil Preparedness Act of 1951." (1951, c. 1016, s. 1; 1975, c. 734, s. 14.)

Cross Reference. — As to the Department of Military and Veterans Affairs, see §§ 143B-246 through 143B-255.

Editor's Note. — The 1975 amendment substituted "Civil Preparedness" for "Civil Defense."

State Government Reorganization. — The State Civil Defense Agency was transferred to the Department of Military and Veterans Affairs by § 143A-234, enacted by Session Laws 1971, c. 864.

§ 166-1.1. Purposes. — The purposes of this Chapter are to:

(1) Clarify the authority and responsibility of the Governor, State agencies and local governments in prevention of, preparation for, response to and recovery from natural or man-made disasters, riots, or hostile military or paramilitary action.

(2) Reduce the vulnerability of people and property to damage, injury, and loss of life and property resulting from natural or man-made disasters.

(3) Prepare for prompt and efficient rescue, care and treatment of persons threatened or affected by a disaster, and provide for the prompt and orderly rehabilitation of persons and the restoration of property.

(4) Authorize and provide for cooperation and coordination of activities relating to disaster mitigation, preparedness, response and recovery among agencies and officials of this State.

(5) Provide for cooperation and coordination of those same activities with similar agencies and officials of other states, with local and federal governments, with interstate organizations and with other private and quasi-official organizations.

(6) Provide for a civil preparedness program embodying all aspects of predisaster planning, response to and recovery from natural or man-made disasters. (1959, c. 337, s. 1; 1975, c. 734, s. 1.)

Editor's Note. — The 1975 amendment rewrote this section.

§ 166-1.2. Limitations. — (a) No authority contained in this Chapter shall be used for any purpose other than the prevention or mitigation of an imminent or existing danger to the public health, safety, or welfare, or the impairment thereof.

(b) Nothing in this Chapter shall be construed to interfere with dissemination of news or comment on public affairs; but any communications facility or organization, including but not limited to radio and television stations, wire services, and newspapers, may be requested to transmit or print public service messages furnishing information or instructions in connection with a disaster. (1975, c. 734, s. 2.)

§ 166-1.3. Nondiscrimination in civil preparedness. — State and local governmental bodies and other organizations and personnel who carry out civil preparedness functions under the provisions of this Chapter are required to do so in an equitable and impartial manner. Such State and local governmental bodies, organizations and personnel shall not discriminate on the grounds of race, color, religion, nationality, sex, age or economic status in the distribution of supplies, the processing of applications and other relief and assistance activities. (1975, c. 734, s. 3.)

§ 166-2. Definitions. — As used in this Chapter:

(1) "Civil preparedness" shall mean those plans, actions and procedures necessary to provide protection to the people against loss of life, injury, and loss or damage to property caused by natural phenomena or man-made causes such as war, insurrection, riot or accidents; and those measures necessary to mitigate the effects of the destructive forces of man and nature, to provide for response to disaster conditions and for the relief of suffering and hardship resulting from such conditions and to initiate rehabilitation of persons and restoration of essential services and acceptable standards of living.

(2) "Civil preparedness agency" shall mean a State or local governmental agency charged with coordination of the following: civil preparedness planning, response to threatened or actual disaster conditions, and measures for rehabilitation of persons and restoration of services and property following a disaster.

(3) "Mobile support unit" shall mean an organization for civil preparedness created in accordance with the provisions of this Chapter by State or local authority to be dispatched by the Governor to supplement local organizations for civil preparedness in a stricken area.

(3a) "Organization for civil preparedness" shall mean all individuals or groups of persons and material resources capable of being utilized in a disaster or imminent threat thereof, such utilization to be coordinated by a civil preparedness agency.

(4) "Political subdivision" shall mean counties and incorporated cities and towns. (1951, c. 1016, s. 2; 1953, c. 1099, s. 1; 1955, c. 387, s. 1; 1975, c. 734, ss. 4-6, 14.)

Editor's Note. — The 1975 amendment rewrote subdivisions (1) and (2), substituted "civil preparedness" for "civil defense" in two places in subdivision (3) and added subdivision (3a).

Regional Council Is Not Within Definition of Political Subdivision. — See opinion of Attorney General to Mr. David L. Britt, Department of Military and Veterans Affairs, 43 N.C.A.G. 187 (1973).

§ 166-3. State Civil Preparedness Agency; duties of Secretary of Department. — The Department of Military and Veterans Affairs shall be the State Civil Preparedness Agency.

The Secretary of the Department of Military and Veterans Affairs shall be responsible to the Governor for carrying out the program for civil preparedness in this State. He shall coordinate the activities of all organizations for civil preparedness within the State, and shall maintain liaison with and cooperate with civil preparedness agencies and organizations of other states and of the federal

government, and shall have such additional authority, duties, and responsibilities authorized by this Chapter as may be prescribed by the Governor. (1951, c. 1016, s. 3; 1959, c. 337, s. 2; 1973, c. 620, s. 9; 1975, c. 734, s. 7.)

Editor's Note. — The 1975 amendment added the second paragraph.

§ 166-4: Repealed by Session Laws 1975, c. 734, s. 8.

§ 166-5. Civil preparedness powers of the Governor. — (a) The Governor shall have general direction and control of the Civil Preparedness Agency and shall be responsible for the carrying out of the provisions of this Chapter and, in the event of disaster or the threat of disaster beyond local control or when requested by the governing body of any county, city or town in the State, may assume direct operational control over all or any part of the civil preparedness functions within this State.

(b) In performing his duties under this Chapter and to effect its policy and purpose, the Governor is authorized and empowered:

(1) To make, amend, and rescind the necessary orders, rules, and regulations to carry out the provisions of this Chapter within the limits of the authority conferred upon him herein, with due consideration of the plans of the federal government. The Governor may issue executive orders pursuant to this subparagraph which shall be filed with the Secretary of State and available to the public generally at the office of the clerk of the superior court in the affected counties.

(2) To prepare a comprehensive plan and program for the civil preparedness of this State, such plan and program to be integrated into and coordinated with the civil preparedness plans of the federal government and of other states to the fullest possible extent, and to coordinate the preparations of plans and programs for civil preparedness by the political subdivisions of this State, such plans to be integrated into and coordinated with the civil preparedness plan and program of this State to the fullest possible extent, within the provisions of this Chapter.

(3) In accordance with such plan and program for the civil preparedness of this State, to ascertain the requirements of the State or the political subdivisions thereof for food or clothing or other necessities of life in the event of attack and, within the appropriation therefor, to plan for and procure supplies, medicines, materials, and equipment, and to institute training programs and public information programs, and to take all other preparatory steps including the partial or full mobilization of civil preparedness organizations in advance of actual disaster, to insure the furnishing of adequately trained and equipped forces of civil preparedness personnel in time of need.

(4) To delegate any administrative authority vested in him under this Chapter, and to provide for the subdelegation of any such authority.

(5) To cooperate and coordinate with the President and the heads of the armed forces, the civil preparedness agency of the United States, and other appropriate federal officers and agencies, and with the officers and agencies of other states and local units of government in matters pertaining to the civil preparedness of the State and nation.

(6) By and with the consent of the Council of State to make appropriations from the Contingency and Emergency Fund for the purpose of matching federal aid grants for the purposes outlined in this Chapter.

(7) On behalf of this State to enter into mutual aid agreements or compacts with other states and with the federal government, either on a

statewide basis or local political subdivision basis, or with a neighboring state. Such mutual aid agreements shall be limited to the furnishing or exchange of food, clothing, medicine and other supplies; engineering services; emergency housing; police services, national or State guards while under the control of this State; health, medical and related services; fire-fighting, rescue, transportation and construction services and equipment; communications and radiological monitoring services, supplies and equipment; personnel necessary to provide or conduct these services; and such other supplies, equipment, facilities, personnel, and services as may be needed; the reimbursement of costs and expenses for equipment, supplies, personnel and similar items for mobile support units, and other agencies acting under such agreements; and on such terms and conditions as are deemed necessary.

(8) To make such studies and surveys of the industries, resources and facilities in this State as may be necessary to ascertain the capabilities of the State for civil preparedness, and to plan for the most efficient emergency use thereof.

(9) To take steps to assure that measures, including the installation of public utilities, are taken when necessary to qualify for temporary housing assistance from the federal government when that assistance is required to protect the public health, welfare, and safety.

(10) To agree that the State will indemnify the federal government against any claim arising from debris removal when federal assistance is provided for that purpose.

(11) By and with the consent of the Council of State to allocate contingency and emergency funds, and such other funds when necessary as may be reasonably available within the appropriations of the various departments, for disaster relief and assistance. (1951, c. 1016, s. 3; 1953, c. 1099, s. 3; 1955, c. 387, ss. 2, 3; 1975, c. 734, ss. 9, 10, 14.)

Editor's Note. — The 1975 amendment substituted "civil preparedness" for "civil defense" throughout the section, deleted "which rules and regulations shall be available to the public generally at the office of the clerk of the superior court in each county and in each local civil defense office" at the end of the first sentence of subdivision (b)(1), added the second sentence of that subdivision and added subdivisions (9) through (11).

§ 166-6. Emergency powers. — The provisions of this section shall be operative only during the existence of a state of civil preparedness emergency (referred to hereinafter in this section as "emergency"). The existence of such emergency may be proclaimed by the Governor, after joint decision of the Governor and the Council of State, or by concurrent resolution of the legislature if the Governor in such proclamation, or the legislature in such resolution, finds that an attack upon the United States has occurred or is anticipated in the immediate future, or that a natural disaster of major proportions has actually occurred within this State, and that the safety and welfare of the inhabitants of this State require an invocation of the provisions of this section. Any such emergency, whether proclaimed by the Governor or by the legislature, shall terminate upon the proclamation of the termination thereof by the Governor, or the passage by the legislature of a concurrent resolution terminating such emergency. During such period as such state of emergency exists or continues, the Governor shall have and may exercise the following additional emergency powers:

(1) To enforce all laws, rules, and regulations, relating to civil preparedness and to assume direct operational control of any or all civil preparedness forces and helpers in the State.

(2) To sell, lend, lease, give, transfer, or deliver materials or perform services for civil preparedness purposes on such terms and conditions as may be prescribed for any existing law, and to account to the State Treasurer for any funds received for such property.

(3) To procure, by purchase, condemnation, seizure, or other means, construct, lease, transport, store, maintain, renovate or distribute materials and facilities for civil preparedness without regard to the limitations of any existing law provided he shall make compensation for the property so seized, taken, or condemned on the following basis:

a. In case property is taken for temporary use, the Governor, within 30 days of the taking, shall fix the amount of compensation to be paid for such damage or failure to return. Whenever the Governor shall deem it advisable for the State to take title to property taken under this section, he shall forthwith cause the owner of such property to be notified thereof in writing by registered mail, postage prepaid, or by the best means available, and forthwith cause to be filed a copy of said notice with the Secretary of State.

b. If the person entitled to receive the amounts so determined by the Governor as just compensation is unwilling to accept the same as full and complete compensation for such property or the use thereof, he shall be paid seventy-five per centum (75%) of such amount and shall be entitled to recover from the State of North Carolina, in an action brought in the superior court in the county of residence of claimant, or in Wake County, in the same manner as other condemnation claims are brought, within three years after the date of the Governor's award such additional amount, if any, which, when added to the amount so paid to him, shall be just compensation.

(4) To provide for and compel, if deemed necessary, the evacuation of all or part of the population from any stricken or threatened area or areas within the State and to take such steps as are necessary for the receipt and care of such evacuees.

(5) Subject to the provisions of the State Constitution, to relieve any public officer having administrative responsibilities under this Chapter of such responsibilities for willful failure to obey an order, rule, or regulation adopted pursuant to this Chapter.

(6) To perform and exercise such other functions, powers, and duties as are necessary to promote and secure the safety and protection of the civilian population.

(7) To take such action and give such directions to State and local law-enforcement officers and agencies as may be reasonable and necessary for the purpose of securing compliance with the provisions of this Chapter and with the orders, rules and regulations made pursuant thereto, which officers and agencies shall comply with such direction.

(8) To employ such measures and give such directions to all State departments, commissions, boards, bureaus and other agencies, and to their counterparts in the political subdivisions, as may be reasonably necessary for the purpose of securing compliance with the provisions of this Chapter or with the findings or recommendations of the above-named agencies by reason of conditions arising from enemy attack or the threat of enemy attack or otherwise.

(9) To establish a system of economic controls over all resources, materials, and services to include food, clothing, shelter, fuel, rents, and wages. (1952, c. 1016, s. 4; 1955, c. 387, s. 4; 1959, c. 337, s. 4; 1975, c. 734, s. 14.)

[In performing his duties under this Chapter, the Governor is further authorized and empowered in the event of a declaration of war by the Congress of the United States or when the Governor and Council of State acting together shall find that there is imminent danger of hostile attack upon the State of North Carolina:

(3) To appoint an acting executive head of any State agency or institution the executive head of which is regularly selected by a State board or commission, to serve

a. During the physical or mental incapacity of the regular holder of the office to discharge the duties of his office,

b. During the continued absence of the regular holder of the office, or

c. During a vacancy in the office and pending

1. The selection and qualification of a person to serve for the unexpired term, or

2. The selection of an acting executive head of the agency by the board or commission authorized to make such selection, and his qualification;

and to determine (after such inquiry as he deems appropriate) that the executive head of such State agency or institution is physically or mentally incapable of performing the duties of his office, and also to determine that such incapacity has terminated.

An acting executive head of a State agency or institution appointed in accordance with this subdivision may perform any act and exercise any power which a regularly selected holder of such office could lawfully perform and exercise. All powers granted to an acting executive head of a State agency or institution under this section shall expire immediately

a. Upon the termination of the incapacity of the officer in whose stead he acts,

b. Upon the return of the officer in whose stead he acts, or

c. Upon (i) the selection and qualification of a person to serve for the unexpired term, or (ii) the selection of an acting executive head of the agency or institution by the board or commission authorized to make such selection, and his qualification. (1951, c. 1016, s. 4; 1955, c. 387, s. 4; 1959, c. 284, s. 2.)]

Editor's Note. — The 1975 amendment substituted "civil preparedness" for "civil defense" throughout the section.

The bracketed provisions at the end of this section are the introductory paragraph as it stood before its amendment by Session Laws 1959, c. 337, and subdivision (3) as added by Session Laws 1959, c. 284.

§ 166-6.1. Authority of Governor during a state of natural or accidental disaster. — The provisions of this section shall be operative only during the existence of a state of natural or accidental disaster (hereinafter referred to jointly as "state of disaster"). The existence of a state of disaster may be proclaimed by the Governor or by joint resolution of the legislature, if the Governor in such proclamation or the legislature in such resolution finds that a disaster arising from either natural or accidental causes has actually occurred or is imminent within this State, and that such disaster calls for immediate action beyond the normal functioning of local or State governments. Any such state of disaster whether proclaimed by the Governor or by the legislature, shall terminate upon the proclamation of the termination thereof by the Governor, or the passage by the legislature of a joint resolution terminating such state of disaster. During such period as the state of disaster exists or continues, the Governor may assume any of the following additional disaster powers if the Council of State concurs in the Governor's assumption of the particular power or powers to be assumed:

(1) To utilize all available State and local resources as reasonably necessary to cope with a disaster including the transfer and direction of personnel or functions of State agencies or units thereof for the purpose of performing or facilitating disaster services.

(2) To enforce all laws, rules, and regulations, relating to civil preparedness and to assume direct operational control over any or all civil preparedness activities within the State.

(3) To sell, lend, lease, give, transfer, or deliver materials or perform services for civil preparedness purposes on such terms and conditions as may be prescribed for any existing law, and to account to the State Treasurer for any funds received for such property.

(4) To direct and compel the evacuation of all or part of the population from any stricken or threatened area within the State if he deems this action necessary for the preservation of life or other disaster response, mitigation, or recovery; and to prescribe routes, modes of transportation, and destination in connection with evacuation.

(5) To control ingress and egress of a disaster area, the movement of persons within the area, and the occupancy of premises therein.

(6) To take such action and give such directions to State and local law-enforcement officers and agencies as may be reasonable and necessary for the purpose of securing compliance with the provisions of this Chapter and with the orders, rules and regulations made pursuant thereto, which officers and agencies shall comply with such direction.

(7) To take action authorized under the provisions of this Chapter without regard to a particular order, rule, or regulation of a State agency if such action is necessary to protect the safety and welfare of the inhabitants of this State, and if strict compliance with such order, rule, or regulation would in any way prevent, hinder, or delay such action. (1975, c. 734, s. 11.)

§ 166-7. Mobile support units. — (a) The Governor or his duly designated representative is authorized to create and establish such number of mobile support units as may be necessary to reinforce civil preparedness organizations in stricken areas and with due consideration of the plans of the federal government and of other states. He shall appoint a commander for each such unit who shall have primary responsbility for the organization, administration and operation of such unit. Mobile support units shall be called to duty upon orders of the Governor and shall perform their functions in any part of the State, or, upon the conditions specified in this section, in other states.

(b) Whenever a mobile support unit of another state shall render aid in this State pursuant to the orders of the Governor of its home state and upon the request of the Governor of this State, this State shall reimburse such other state for the compensation paid and actual and necessary travel, subsistence and maintenance expenses of the personnel of such mobile support unit while rendering such aid, and for all payments for death, disability or injury of such personnel incurred in the course of rendering such aid, and for all losses of or damage to supplies and equipment of such other state or a political subdivision thereof resulting from the rendering of such aid: Provided, that the laws of such other state contain provisions substantially similar to this section or that provisions to the foregoing effect are embodied in a reciprocal mutual-aid agreement or compact or that the federal government has authorized or agreed to make reimbursement for such mutual aid as above provided.

(c) No personnel of mobile support units of this State shall be ordered by the Governor to operate in any other state unless the laws of such other state contain provisions substantially similar to this section or unless the reciprocal mutual-aid agreements or compacts include provisions providing for such reimbursement

or unless such reimbursement will be made by the federal government by law or agreement. (1951, c. 1016, s. 5; 1975, c. 734, s. 14.)

Editor's Note. — The 1975 amendment substituted "civil preparedness" for "civil defense" in the first sentence of subsection (a).

§ 166-8. Civil preparedness agencies. — (a) Each political subdivision of this State is hereby authorized to establish a civil preparedness agency in accordance with the State civil preparedness plan and program; and it is further provided that in the event that any political subdivision of the State fails to establish such a civil preparedness agency, and the Governor, in his discretion, determines that a need exists for such a civil preparedness agency, then the Governor is hereby empowered to establish, or to establish through the Secretary of Military and Veterans Affairs, a civil preparedness agency within said political subdivision. Each civil preparedness agency shall have a director who shall be appointed by the governing body of the political subdivision, who may be paid in the discretion of the governing body of the political subdivision, and who shall have direct responsibility for the organization, administration and operation of such civil preparedness agency, subject to the direction and control of such governing body. Civil preparedness directors appointed by the governing bodies of counties shall coordinate the activities of all civil preparedness organizations within such county, including the activities of civil preparedness organizations of cities and towns within such counties. Each local organization for civil preparedness shall perform civil preparedness functions within the territorial limits of the political subdivision within which it is organized, and in addition, shall conduct such functions outside of such territorial limits as may be required pursuant to the provisions of G.S. 166-10. Counties and municipalities are hereby authorized to make appropriations for the purposes outlined in this section subject to the procedure and limitation established for appropriating municipal funds by the General Statutes.

(b) In carrying out the provisions of this Chapter each political subdivision, in which any disaster due to hostile action as described in G.S. 166-2(1) occurs, or in the event of fire, flood, earthquake or windstorm when the governing body of any such political subdivision shall invoke the provisions of this Chapter, shall have the power and authority:

(1) To appropriate and expend funds, make contracts, obtain and distribute equipment, materials, and supplies for civil preparedness purposes; provide for the health and safety of persons and property, including emergency assistance to the victims of any disaster resulting from enemy attack, or fire, flood, earthquake or windstorm, subject to the direct supervision of the governing body of such political subdivision; and to direct and coordinate the development of civil preparedness plans and programs in accordance with the policies and plans set by the federal and State civil preparedness agencies;

(2) To appoint, employ, remove, or provide, with or without compensation, a civil preparedness director, air-raid wardens, rescue teams, auxiliary fire and police personnel, and other civilian preparedness workers;

(3) To establish a primary and one or more secondary control centers to serve as command posts during an emergency;

(4) Subject to the order of the Governor, or the chief executive of the political subdivision, to assign and make available for duty the employees, property, or equipment of the subdivision relating to fire fighting, engineering, rescue, health, medical and related services, police, transportation, construction, and similar items or services for

civil preparedness purposes and within or outside of the physical limits of the subdivision.

(c) A local state of emergency may be declared by the governing body of any municipality or county upon the occurrence of or imminent threat of a natural disaster. Such a declaration shall activate the local ordinances authorized in G.S. 14-288.12 through 14-288.14 and any and all applicable local plans, mutual assistance compacts and agreements and shall also authorize the furnishing of assistance thereunder. The timing, publication, amendment and recision of local state of emergency declarations shall be in accordance with the local ordinance. (1951, c. 1016, s. 6; 1953, c. 1099, s. 4; 1957, c. 950, s. 2; 1959, c. 337, s. 5; 1973, c. 620, s. 9; 1975, c. 734, ss. 12, 14, 16.)

Editor's Note. — The 1975 amendment added subsection (c). The amendment also substituted "civil preparedness" for "civil defense" throughout subsections (a) and (b) and substituted "civil preparedness agency" for "local organization for civil defense" in three places and for "local organization" in three places in subsection (a).

§ 166-8.1. No private liability. — Any person, firm or corporation owning or controlling real or personal property who, voluntarily or involuntarily, knowingly or unknowingly, with or without compensation, grants a license or privilege, or otherwise permits or allows the designation or use of the whole or any part or parts of such real or personal property for the purpose of sheltering, protecting, safeguarding or aiding in any way persons or property during an actual, impending, mock or practice attack, shall, together with his successors in interest, if any, not be civilly liable for the death of or injury to any person or the loss of or damage to the property of any person where such death, injury, loss or damage resulted from, through or because of the use of the said real or personal property for any of the above purposes. (1957, c. 950, s. 3.)

§ 166-9. Mutual aid agreements. — (a) The director of each civil preparedness agency may, in collaboration with other public and private agencies within this State, develop or cause to be developed mutual aid arrangements for reciprocal civil preparedness aid and assistance in case of disaster too great to be dealt with unassisted. Such arrangements shall be consistent with the State civil preparedness plan and program, and in time of emergency it shall be the duty of each local organization for civil preparedness to render assistance in accordance with the provisions of such mutual aid arrangements.

(b) The director of each civil preparedness agency may, subject to the approval of the Governor, enter into mutual aid arrangements with civil preparedness agencies or organizations in other states for reciprocal civil preparedness aid and assistance in case of disaster too great to be dealt with unassisted. (1951, c. 1016, s. 7; 1975, c. 734, ss. 14, 16.)

Editor's Note. — The 1975 amendment substituted "civil preparedness" for "civil defense" throughout the section and substituted "civil preparedness agency" for "local organization for civil defense" in the first sentence of subsection (a) and near the beginning of subsection (b).

§ 166-9.1. Immunity and exemption. — (a) All functions hereunder and all other activities relating to civil preparedness are hereby declared to be governmental functions. Neither the State nor any political subdivision thereof nor other agencies of the State or political subdivision thereof, nor, except in cases of willful misconduct, gross negligence, or bad faith, any civil preparedness worker complying with or reasonably attempting to comply with this Article, or any order, rule, or regulation promulgated pursuant to the

provisions of this Article, or pursuant to any ordinance relating to blackout, evacuation or other precautionary measures enacted by any political subdivision of the State, shall be liable for the death of or injury to persons, or for damage to property, as a result of any such activity. The provisions of this section shall not affect the right of any person to receive benefits to which he would otherwise be entitled under this Chapter, or under the Workmen's Compensation Law, or under any pension law, nor the right of any such person to receive any benefits or compensation under any act of Congress.

(b) Any requirement for a license to practice any professional, mechanical, or other skill shall not apply to any authorized civil preparedness worker who shall, in the course of performing his duties as such, practice such professional, mechanical, or other skill during a civil preparedness emergency.

(c) As used in this section, the term "civil preparedness worker" shall include any full or part-time paid, volunteer, or auxiliary employee of this State, or other states, territories, possessions or the District of Columbia, of the federal government, or any neighboring country, or of any political subdivision thereof, or of any agency or organization, performing civil preparedness services at any place in this State, subject to the order or control of, or pursuant to a request of, the State government or any political subdivision thereof.

(d) Any civil preparedness worker, as defined in this section, performing civil preparedness services at any place in this State pursuant to agreements, compacts or arrangements for mutual aid and assistance, to which the State or a political subdivision thereof is a party, shall possess the same powers, duties, immunities, and privileges he would ordinarily possess if performing his duties in the State, province or political subdivision thereof in which normally employed or rendering services. (1957, c. 950, s. 4; 1975, c. 734, s. 14.)

Editor's Note. — The 1975 amendment substituted "civil preparedness" for "civil defense" throughout the section.

§ 166-10. Appropriations and levy of taxes; authority to accept services, gifts, grants and loans. — (a) Each county and city in this State is authorized to make appropriations for the purposes of this Chapter and to fund them by levy of property taxes pursuant to G.S. 153A-149 and 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law.

(b) Whenever the federal government or any agency or officer thereof shall offer to the State, or through the State to any political subdivision thereof, services, equipment, supplies, materials, or funds by way of gift, grant or loan, for the purposes of civil preparedness, the State, acting through the Governor, or such political subdivision, acting with the consent of the Governor and through its governing body, may accept such offer and upon such acceptance the Governor of the State or governing body of such political subdivision may authorize any officer of the State or of the political subdivision, as the case may be, to receive such services, equipment, supplies, materials, or funds on behalf of the State or such political subdivision, and subject to the terms of the offer and the rules and regulations, if any, of the agency making the offer.

(c) Whenever any person, firm or corporation shall offer to the State or to any political subdivision thereof, services, equipment, supplies, materials, or funds by way of gift, grant, or loan, for purposes of civil preparedness, the State, acting through the Governor, or such political subdivision acting through its governing body, may accept such offer and upon such acceptance the Governor of the State or governing body of such political subdivision may authorize any officer of the State or of the political subdivision, as the case may be, to receive such services, equipment, supplies, materials, or funds on behalf of the State or such political subdivision, and subject to the terms of the offer.

(d) Either the State or a political subdivision in the State may accept grants from the federal government for use in recovery from disasters and for that purpose may, within the limits of any applicable constitutional requirements, accept advances and loans from the federal government, including loans for public works and development facilities, for governmental operating expenses, and for individual and family grant programs. (1951, c. 1016, s. 8; 1973, c. 803, s. 45; 1975, c. 19, s. 72; c. 734, ss. 13, 14.)

Editor's Note. — The first 1975 amendment substituted "G.S. 153A-149" for "G.S. 153-65" in subsection (a).

The second 1975 amendment substituted "civil preparedness" for "civil defense" in subsections (b) and (c) and added subsection (d).

§ 166-11. Utilization of existing services and facilities. — In carrying out the provisions of this Chapter, the Governor is authorized to utilize the services, equipment, supplies and facilities of existing departments, offices, and agencies of the State and of the political subdivisions thereof, and the governing bodies of the political subdivisions of the State are authorized to utilize the services, equipment, supplies and facilities of their respective subdivisions, to the maximum extent practicable, and the officers and personnel of all such departments, offices and agencies are required to cooperate with and extend such services and facilities to the Governor and to the civil preparedness agencies of the State upon request. This authority shall extend to all disasters and for civil preparedness training purposes. (1951, c. 1016, s. 9; 1955, c. 387, s. 5; 1957, c. 950, s. 5; 1975, c. 734, ss. 14, 16.)

Editor's Note. — The 1975 amendment substituted "civil preparedness agencies" for "civil defense organizations" near the end of the first sentence and "civil preparedness" for "civil defense" in the second sentence.

§ 166-12. Eligibility of civil preparedness personnel; oath required. — (a) No person shall be employed or associated in any capacity in any civil preparedness agency established under this Chapter who advocates or has advocated a change by force or violence in the constitutional form of the government of the United States or in this State, or the overthrow of any government in the United States by force or violence, or who has been convicted of or is under indictment or information charging any subversive act against the United States, or has ever been a member of the Communist Party. Each person who is appointed to serve in a civil preparedness agency shall, before entering upon his duties, take an oath, in writing, before a person authorized to administer oaths in this State, which oath shall be substantially as follows:

"I, ..., do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of North Carolina, against all enemies, foreign and domestic; and that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter. And I do further swear (or affirm) that I do not advocate, nor am I, nor have I ever knowingly been, a member of any political party or organization that advocates the overthrow of the government of the United States or of this State by force or violence; and that during such time as I am a member of the State Civil Preparedness Agency, I will not advocate nor become a member of any political party or organization that advocates the overthrow of the government of the United States or of this State by force or violence, so help me God."

(b) No person shall be barred from holding office in any capacity under this Chapter by reason of the prohibition against double office holding. (1951, c. 1016, s. 10; 1975, c. 734, ss. 14, 16.)

Editor's Note. — The 1975 amendment, in subsection (a), substituted "civil preparedness agency" for "civil defense organization" near the beginning of the first sentence, "civil preparedness agency" for "organization for civil defense" in the second sentence and "State Civil Preparedness Agency" for "State Civil Defense Agency" in the oath.

§ 166-13: Repealed by Session Laws 1955, c. 79.

Chapter 167.

State Civil Air Patrol.

Sec.
167.1 [Repealed.]
167-2. Status and compensation of members; certain statutes inapplicable; State not liable on contracts, etc.
Sec.
167-3. [Repealed.]

§ 167-1: Repealed by Session Laws 1973, c. 620, s. 9.

Cross Reference. — As to the Department of Military and Veterans Affairs, see §§ 143B-246 through 143B-255.

§ 167-2. Status and compensation of members; certain statutes inapplicable; State not liable on contracts, etc. — The members of the State Civil Air Patrol shall serve without compensation and shall not be entitled to the benefits of the Retirement System of [for] Teachers and State Employees as set forth in Chapter 135 of the General Statutes. The provisions of Article 31 of Chapter 143 of the General Statutes, with respect to tort claims against State departments and agencies, shall not be applicable to the activities of the State Civil Air Patrol, and the State shall not in any manner be liable for injury or damage to any person, firm or corporation by reason of the acts of any of the members or officers thereof. The State shall not in any manner be liable for any of the contracts, debts or obligations of the said organization. The members of the State Civil Air Patrol shall be deemed and considered employees for workmen's compensation purposes of the Department of Military and Veterans Affairs during a State-requested and authorized mission. Such period of employment shall not extend to members operating under an authorized mission of the United States air force. The Secretary of the Department of Military and Veterans Affairs shall authorize all State-requested missions. (1953, c. 1231, s. 2; 1973, c. 620, s. 9; 1975, c. 284, s. 1.)

Editor's Note. — The 1975 amendment deleted "and shall not be entitled to any benefits provided by the North Carolina Workmen's Compensation Act as set forth in Chapter 97 of the General Statutes" following "compensation" in the first sentence, rewrote the fourth sentence and added the fifth and sixth sentences.

§ 167-3: Repealed by Session Laws 1973, c. 620, s. 9.

Chapter 168.

Handicapped Persons.

Article 1.

Rights.

Sec.
168-1. Purpose and definition.
168-2. Right of access to and use of public places.
168-3. Right to use of public conveyances, accommodations, etc.
168-4. May be accompanied by guide dog.
168-5. Traffic and other rights of persons using certain canes.
168-6. Right to employment.
168-7. Guide dogs.
168-8. Right to habilitation and rehabilitation services.
168-9. Right to housing.
168-10 to 168-13. [Reserved.]

Article 2.

Vocational Rehabilitation.

168-14. Vocational rehabilitation services for deaf persons.

Article 1.

Rights.

§ 168-1. Purpose and definition. — The State shall encourage and enable handicapped persons to participate fully in the social and economic life of the State and to engage in remunerative employment. The defintion of "handicapped persons" shall include those individuals with physical, mental and visual disabilities. For the purposes of this Article the definition of "visually handicapped" in G.S. 111-11 shall apply. (1973, c. 493, s. 1.)

§ 168-2. Right of access to and use of public places. — Handicapped persons have the same right as the ablebodied to the full and free use of the streets, highways, sidewalks, walkways, public buildings, public facilities, and all other buildings and facilities, both publicly and privately owned, which serve the public. (1973, c. 493, s. 1.)

§ 168-3. Right to use of public conveyances, accommodations, etc. — The handicapped and physically disabled are entitled to accommodations, advantages, facilities, and privileges of all common carriers, airplanes, motor vehicles, railroad trains, motor buses, streetcars, boats, or any other public conveyances or modes of transportation; hotels, lodging places, places of public accommodation, amusement or resort to which the general public is invited, subject only to the conditions and limitations established by law and applicable alike to all persons. (1973, c. 493, s. 1.)

§ 168-4. May be accompanied by guide dog. — Every visually handicapped person shall have the right to be accompanied by a guide dog, especially trained for the purpose, in any of the places listed in G.S. 168-3 provided that he shall be liable for any damage done to the premises or facilities by such dog. (1973, c. 493, s. 1.)

§ 168-5. Traffic and other rights of persons using certain canes. — The driver of a vehicle approaching a visually handicapped pedestrian who is carrying a cane predominantly white or silver in color (with or without a red tip) or using a guide dog shall take all necessary precautions to avoid injury to such pedestrian. (1973, c. 493, s. 1.)

§ 168-6. Right to employment. — Handicapped persons shall be employed in the State service, the service of the political subdivisions of the State, in the public schools, and in all other employment, both public and private, on the same terms and conditions as the ablebodied, unless it is shown that the particular disability impairs the performance of the work involved. (1973, c. 493, s. 1.)

§ 168-7. Guide dogs. — Every visually handicapped person who has a guide dog, or who obtains a guide dog, shall be entitled to keep the guide dog on the premises leased, rented or used by such handicapped person. He shall not be required to pay extra compensation for such guide dog but shall be liable for any damage done to the premises by such a guide dog. (1973, c. 493, s. 1.)

§ 168-8. Right to habilitation and rehabilitation services. — Handicapped persons shall be entitled to such habilitation and rehabilitation services as available and needed for the development or restoration of their capabilities to the fullest extent possible. Such services shall include, but not be limited to, education, training, treatment and other services to provide for adequate food, clothing, housing and transportation during the course of education, training and treatment. Handicapped persons shall be entitled to these rights subject only to the conditions and limitations established by law and applicable alike to all persons. (1973, c. 493, s. 1.)

§ 168-9. Right to housing. — Each handicapped citizen shall have the same right as any other citizen to live and reside in residential communities, homes, and group homes, and no person or group of persons, including governmental bodies or political subdivisions of the State, shall be permitted, or have the authority, to prevent any handicapped citizen, on the basis of his or her handicap, from living and residing in residential communities, homes, and group homes on the same basis and conditions as any other citizen. Nothing herein shall be construed to conflict with provisions of Chapter 122 of the General Statutes. (1975, c. 635.)

§§ 168-10 to 168-13: Reserved for future codification purposes.

ARTICLE 2.

Vocational Rehabilitation.

§ 168-14. Vocational rehabilitation services for deaf persons. — The Department of Human Resources shall promote the employment of deaf persons in this State. The Department shall assist deaf persons whose disability limits employment opportunities in obtaining gainful employment commensurate with their abilities and in maintaining such employment.

The Department, in furtherance of these objectives, shall maintain statistics regarding trades and occupations in which deaf persons are employed.

The Department shall attempt to employ deaf persons in its vocational rehabilitation services for deaf persons and shall have at least one deaf person so employed. (1975, c. 412, s. 2.)

Editor's Note. — Session Laws 1975, c. 412, s. 3, provides: "The intent of this act is to transfer the Bureau of Labor for the Deaf from the Department of Labor to the Department of Human Resources as a Type I transfer as defined in G.S. 143A-6(a)." Section 1 of the 1975 act repealed §§ 95-70 to 95-72, which formerly provided for the Bureau of Labor for the Deaf.

STATE OF NORTH CAROLINA

DEPARTMENT OF JUSTICE

Raleigh, North Carolina

October 1, 1976

I, Rufus L. Edmisten, Attorney General of North Carolina, do hereby certify that the foregoing recompilation of the General Statutes of North Carolina was prepared and published by The Michie Company under the supervision of the Department of Justice of the State of North Carolina.

RUFUS L. EDMISTEN
Attorney General of North Carolina

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